

SPECIAL REPRINT
CEO Initiatives

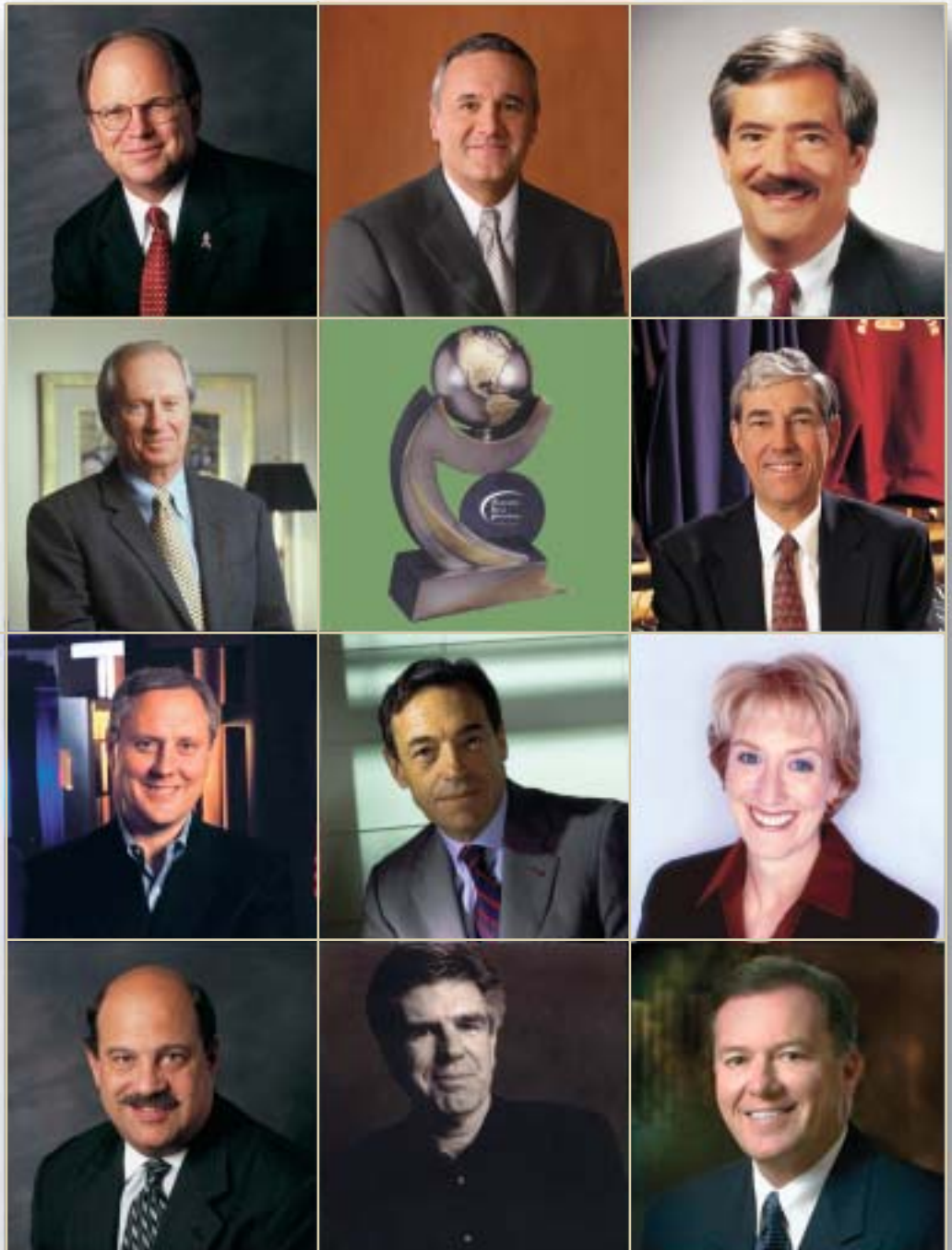
Profiles in Diversity Journal

Volume 6, Number 5 • September/October 2004

\$8.95 U.S.

Saluting the 2004 CEOs of the Year!

**PDJ OFFERS
AN EXCLUSIVE
LOOK AT WHAT
DRIVES THESE
LEADERS TO
SUCCEED**



Charging Employees to Creatively Tackle Diversity.



Just as we employ diversity of thought to solve our customer's challenges, we also wanted to nurture and drive diversity in our workforce. So, we challenged our employees to help craft a powerful, comprehensive diversity program called Diversity @ BMC.

The program convened multiple "Diversity Action Teams,"—comprised of a broad cross-section of our employees—to address critical diversity issues. The teams were charged with implementing changes by completing and executing short-term, results-oriented projects. By making the drive toward diversity inclusive, the process itself is part of the solution.

And, to be sure, the business case for nurturing diversity is a strong one because diverse companies consistently develop greater intellectual capital and are better positioned to meet the needs of today's marketplace.



Saluting 2004's CEOs



Edie Fraser,
President and Founder,
Diversity Best Practices and
Business Women's Network

Deepening diversity efforts throughout their organizations, this year's honorees are leading the charge for inclusion.

This year's CEO honorees mark a key turn in the practice of diversity. As you will see from the interviews on the following pages, these CEOs have expanded the breadth and depth of their efforts. And that's largely due to a personal commitment on the part of the CEOs, according to Steve Miller, CEO of SLM Discovery Ventures and former chairman of Shell Oil Co.

"I don't mean to disparage any past winners (including myself), but I see today's CEOs becoming increasingly comfortable with diversity. They themselves are more deeply engaged and have increasingly internalized the idea," says Miller, who led the panel with Diversity Best Practices Business Women's Network, based in Washington, D.C., that selected the honorees.

"The quality and standing of chief diversity officers are improving and increasingly they are reporting to the CEO. That is helping to elevate the quality and visibility of people serving in those positions, a trend that's gathering steam," says Miller.

And CEOs today are all about sharing experiences. "Certainly leading CEOs look at what their peer group is doing in an effort to learn from each other. As those experiences are shared, other companies take that as the new standard and build upon it," he says.

The 2004 CEO Leadership Award winners understand that the future lies in diversity. "They are taking advantage of every opportunity to create a new business culture that is progressive, inclusive and, most important, lucrative for building the business," says Edie Fraser, president of Diversity Best Practices and Business Women's Network. "These corporate CEO leaders believe in sharing best practices, benchmarking to improve performance, and expanding the potential of their businesses."

Nothing makes a CEO more credible than when they are fully engaged in an activity themselves—whether it's increased efficiency in the production line, customer interfaces, global competitiveness in the marketplace or diversity.

"As you engage in the subject matter, you begin to really feel it," says Miller. A leader's views on diversity can evolve over time, since it's the kind of concept that heightens over time. But it's tough to fake engagement.

"It's very difficult to have a set of personal values that are contrary to the values embodied around diversity. You can only go so far before people see there's a clash between what you officially say and actually do.

"People winning the awards this year will have spent more time in the activity than those who won the award a few years ago. They've simply been engaged longer and are able to better internalize the message," he says.

But effective diversity and inclusion is also about good leadership.

"Leadership is about setting forth a vision of where you want to go and then creating the climate and the enablers so that the organization, whatever it is, can make progress toward achieving that vision.

"Articulating clearly why that vision has merit and power so the organization understands the vision of diversity is integral to success. Then it's up to the leader to set the personal example of engagement and

provide the resources, encouragement, cheerleading, and mentoring necessary to get you where you want to go," he says.

That's not to say there aren't challenges to reaching the goals.

A lot of companies today struggle significantly with the issue of minority suppliers. "They can understand on a macro level the desire to work with minority suppliers. But with global services focused on cost it tends to lead companies to large suppliers (with the advantage of scale).

"The reality today is that not many suppliers are certified Minority Business Enterprises (MBE) or Female Business Enterprises (FBE). You have a conundrum as you work on the cost equation, pressures of globalization and optimization. What can you do to be able to handle the dual requirements of your vision *vis-à-vis* your productivity and supply?"

Organizations today are faced with two looming questions: How do you make minority suppliers equal in scale and development to other non-minority suppliers? How do you grow them from small niche suppliers to bigger companies with the advantages of scale?

There also are challenges to companies as they seek to promote women and people of color into higher levels of management.

"Companies still require qualified candi-



Steve Miller,
CEO,
SLM Discovery Ventures

dates for these positions. We need to go back into the development chain, providing learning experiences for women and minorities so they are among the highest qualified candidates at the senior-most levels," says Miller.

And in many cases those also are societal initiatives, rooted in the educational experience. But it is an organization's managers that can make diversity happen on a large-

scale basis.

"Middle managers take pride in being able to get the organization where the leadership wants it to go. Their attitude is, 'Give me the tools, training and money to get that work done.' You'll always have a small minority that resists. But most are quite happy to get on with it."

The key is putting the money where their mouth is. "It's unfair to ask managers to do

this without giving them the resources. The litmus test is how many resources leaders put into diversity," says Miller.

The companies that are doing it best are those in which the CEO is spending time and leading the efforts.

Following are profiles of leaders at 10 companies that are doing just that—leading diversity.

Nature or Nurture

Finding the mix of talent that fosters strong leadership is a hallmark of this year's CEO Initiative honorees

Compiled by Wendy A. Hoke

Are leaders born or are they made? Most likely it's a combination of the two. At least that's the consensus from the 2004 CEO Initiative honorees. Each of this year's honorees combines a sublime mix of nature and nurture in leading their organizations.

Profiles in Diversity Journal asked each of them to talk about their leadership, career path, influences and diversity efforts. Their responses were both engaging and enlightening and prove that leading global companies is about engaging a diverse workforce, customer base and supplier network—and it's about listening and learning.

Getting to this point

As children, it's doubtful that many people think to themselves, "I'm going to be CEO someday." The career path to the C-Suite is often a meandering one, crafted from varied experiences found within a single industry or a number of industries.

But a CEO's sense of leadership often blooms early on. They may know that deep within they possess the very fabric of "leader." And with the help of positive influences, good mentoring and an uncanny knack for understanding what drives people and organizations, they find their way to the chairman's office.

"Very early, I realized that I was fortunate enough to have an intuitive

understanding for what our consumers might want, but it was the ability to adapt to different challenges in different countries that gave me the legitimacy to lead our very international business," says Lindsay Owen-Jones, chairman and CEO of L'Oréal.

His career began as a salesman at L'Oréal, working his way through greater responsibilities in France, Belgium, Italy and the United States. Passion for the company and drive have led him to his current position. "I am naturally demanding of myself and ambitious for the company."

Tom Freston, co-president and co-COO of Viacom, jumped way off the corporate ladder after his days as an ad man proved he didn't have the hard-charging character to propel into a leadership position in that industry. So he took a trip around the world, spending eight years working in Afghanistan and India, exporting clothing for a company that he started with a partner.

"After the Soviets invaded Afghanistan, I was forced to head back to New York where, in a conscious 'career change,' I was fortunate to be able to combine my love of music and my entrepreneurial spirit at a place just starting out—MTV Networks."

Freston thrived off the energy of the early MTV. "Everyone did everything and we consciously tried to hire people who had no television experience.

As the company grew, people left for various reasons and more and more responsibility kept landing in my lap. And while my rise through the ranks happened organically to some extent, I definitely had the right preparation and the right frame of mind to accept the leadership roles that were presented to me."

Many of this year's honorees got their start in sales, including Jack Ward, chairman and CEO of Russell Corp. He was lured back to corporate life when offered the chance to lead Russell. It was the fulfillment of a long-time dream. "I had always aspired to a position as CEO for a major corporation. Russell gave me that opportunity and also the opportunity to use my knowledge and experience to help the company transition to an organization that can operate in a global economy."

Jim Quigley and Barry Salzberg are being recognized together for their diversity leadership at Deloitte & Touche USA LLP. It's only fitting for these two leaders to be honored together. They and their spouses were seated at the same table in 1985 at the new partner admittance celebration—Quigley having risen on the audit side and Salzberg the tax side.

Quigley is now CEO of the U.S. operations and works closely with Salzberg, who is U.S. managing partner.

"During my career, I have not always



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to make a company with vision.**

A. Maurice Myers -
Chairman, President and CEO

W

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been in what is typically seen as a leadership position; nevertheless, I have always considered myself a leader," says Salzberg, adding that in order to become a leader, you must first see yourself in that role.

Anne Mulcahy grew up in a large family, but it wasn't until she was in college that she began to thrive on her newfound independence.

"Looking back, I now realize that certain moments in life, including my experiences at Marymount (College), are the foundation for the career I have built," she says.

Her career at Xerox began as a sales rep in Boston, eventually moving up through the sales management ranks. But then she jumped that track to move into human resources, a role some advised her was risky. "The move" gave me insights into the corporation that I was not exposed to in the field. It also piqued my interest in

operations—what keeps the global enterprise ticking each hour, each day."

"I developed a reputation as a 'fix-it executive' and was recruited to Waste Management in 1999 after an accounting and insider trading blowup," says A. Maurice Myers, chairman and CEO of Waste Management. After 10 years as CEO of Aloha Airlines, he left that role to tackle turning around troubled companies. "(It) presented considerably more personal risk, and more reward if successful," he says.

Over the course of 33 years, William Swanson, chairman and CEO of Raytheon, has worked on a number of assignments—"as an engineer on the shop floor, in materials, manufacturing, fabrication and quality, in systems integration and planning, in program and general management—and in almost all levels of leadership. These experiences have left me with a love for this company, its people and its customers."

"I've always had enormous respect for entrepreneurs and actually thought that I would build and own my own company one day. However, when I graduated from college in 1982, I found the employ-

learn how to sell—and not only computers. I learned how to sell myself and my ideas—skills I would need later in life."

He took the advice of a mentor, who suggested he pursue an advanced degree at night. "It was a good decision that opened my mind to the power of personal development."

He joined BMC Software as a sales representative after working for two high-tech firms. "I was fortunate to be a top sales performer for consecutive years and was promoted to sales manager," adding that he progressed through management positions with oversight for strategic marketing, corporate strategy and business development, and was senior vice president of research and development before being named president and CEO in 2001.

Steph

en Sanger, chairman and CEO of General Mills, began his career as a product manager, moving up the ranks through marketing. "I did not count on being named CEO, but I always expected to ultimately become one of the leaders of the company."

J. Wayne Leonard, chairman and CEO of Entergy, started out as an accountant. He was fortunate to find himself, at the age of 32, reporting to the chairman and CEO, a person who fast became his mentor. "He wanted me to prepare for the day I might become the CEO. I had no aspirations beyond a finance position in middle to upper management. He set up a program where I spent two years out of

more offices than I can count, but I did

Defining Leadership

What is leadership? The short answer is that there is no one definition. Each CEO has a slightly different concept of leadership. And it's the wise ones who take a little from their experience and make it their own brand.

Leadership is part vision, inspiration, flexibility, humility, respect, communication and accountability. Here's a snapshot of what this year's honorees had to say about defining leadership:

- "Loving one's work and getting on with other people no matter how different they may be from oneself is just as important for success." —*Lindsay Owen-Jones*
- "Leadership is a 'vibe,' and is most powerful when it comes from the heart as opposed to a leadership guide." —*Tom Freston*
- "Leadership is about making the right decisions, not the popular ones." —*Jack Ward*
- "True leaders earn the respect of others through their example—what they stand for and how they live their beliefs." —*Jim Quigley*
- You can't communicate enough. "Good people aligned around a common set of objectives can do almost anything." —*Anne Mulcahy*
- "A leader must believe so much in what they are doing and how they do business, that they would be willing to give it all up without any regrets, if asked or forced to compromise the greater good for individual gain." —*J. Wayne Leonard*

ment environment to be very difficult. Houston was experiencing the worst of times with the oil industry collapse. I was unemployed, broke and newly married," says Bob Beauchamp, president and CEO of BMC Software Inc.

It was a harsh wake-up call, but also gave him the fortitude he would need to succeed on the job. After a few months, he landed a job selling word processors. "It was a classic door-to-door sales job. I was thrown out of

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the corporate offices and in the field working with our craft employees (line-men) and interfacing with customers. When offered the job, I had a lot of soul-searching to do on whether I could do this and do right by all the people who were counting on me; including our employees, our owners, our customers and my family," says Leonard.

But doing right is what these CEOs are doing. Part of the reason for that is having a clear model for developing their leadership and the willingness to listen and learn on the job.

Style and early influences

So who and what are the early influences on the lives of today's corporate leaders? Although parents were typically the earliest influences, there are many others who provided inspiration.

Some lead by intuition, preferring to give employees the freedom to take risks, make decisions and captain their own ship. Others prefer building consensus. But each leader molds these qualities to best serve his or her company.

"I am a believer in a more casual and collegial management style: I put a lot of focus into setting the kinds of cultural values important for this kind of creative organization," says Freston. "I am a big believer in decentralization, which can be daunting for those accustomed to a top-down approach. I continually emphasize the importance of our ability to be nimble, humble and smart and stress the importance of being a first choice place to work. That's the way to attract and keep the most talented people."

For Quigley and Salzberg, leadership is about empowering others to govern themselves and being open to different perspectives.

When asked what business books have influenced them, several CEOs mentioned "Good to Great" by former Stanford University professor Jim Collins. The premise of his book was that the quality of leadership is what

can take a company from good to great. "The difference between good leaders and great leaders is a paradoxical blend of personal humility and professional will," says Mulcahy.

"Great leaders are self-effacing. They deflect adulation and they give credit to others. Yet they have a stoic resolve to do whatever it takes to make their company great. Their ambition is first and foremost about the company, not about themselves. If you focus on the institution, your contributions are much more likely to be lasting ones."

When it comes to making decisions, Myers believes that although it's important to hear from the best brains, it is ultimately the CEO's responsibility to make the best decision. "One of a leader's most important talents is the ability to draw a solution out of a set of ambiguous data or information," he says.

An engineer by training, Swanson believes process drives solutions by creating an environment that encourages dialogue, learning and intellectual curiosity. "I have high expectations that we do the right thing. I expect everyone on the team to treat the company name as if it were his or her own," he says. His method is to listen, anticipate response and follow through, using the highest ethical standards.

Building consensus is what Sanger works toward daily. "I do not allow pre-meetings where issues are brought up for the first time or post-meetings where issues are privately pre-sold. If a new issue or point requires discussion we reconvene the entire group. I make it clear we live by no secrets and no surprises," he says.

"My parents are loving people who taught me right from wrong, compassion and respect for others and gave me a strong sense of self-respect," says Beauchamp. "My grandparents also were powerful role models. I aspire to be the man my grandfather was, and that will not be easy. He was never rich with money, far from it; but

he displayed all the values that today I hold most dear—honesty, compassion, loyalty, joyfulness and self-discipline."

He also finds inspiration from history. " 'Battle Cry of Freedom: The Civil War Era,' by James M. McPherson opened my eyes to the powerful leadership of Abraham Lincoln—a perfect blend of pragmatist and ideologist. He sustained his love for humanity and for his country while knowing that conquering evil and saving a nation would require the ultimate sacrifice."

Role of mentoring

Part of a leader's responsibility is to give back, to pass on his or her knowledge and insight to another generation of leaders. Most of today's highly effective leaders had someone along the way nudging them in the right direction.

Perhaps it was the coaching of talent, or discovery of what lies within. Regardless, someone took the time. And in this hectic world, when leading a company leaves so little time, the good leaders are still nurturing talent.

"The whole L'Oréal culture is about transmitting know-how from one generation to another," says Owen-Jones. "The beauty business is an art, not a science, and experience counts enormously, so all of us spend our whole professional lives first learning from others and then transmitting this know-how to the next generation. Every day I have breakfast or lunch with one of our young managers just to hear out his problems and help him put them into perspective. For many of them this is more precious than all the formal reporting systems and meetings."

There are individuals and organizations that make an impact on you at various points in your life. It can be your parents, teachers, bosses, colleagues and friends.

Quigley also credits his family and his wife Bonnie and the chance to work directly with Global CEO Mike Cook. "I saw first-hand the inner workings of the firm and observed our

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Although there are formal mentoring programs in place at Deloitte, Quigley says it is expected to assist others whenever possible.

Since he has personally benefited from mentoring, Salzberg has returned the favor in kind. "I have had people who have helped me define my career, have helped me take stock of where I was and have assessed me objectively." He mentors those who work directly with him and others who seek his advice on a less formal basis.

Myers is preparing to retire soon and so his time now is spent mentoring the senior leadership team at Waste Management. But he also acknowledges what he has learned.

"I feel I have learned most from all

of the successful managers I have come in contact with over the years. I have learned from failures as well as from successes," he says.

Mentoring is not only important; it also is key to the development of diverse employees, according to Beauchamp. "People need to be able express their fears, concerns and ideas in a non-threatening environment to others who have 'seen around corners' that they cannot yet see around."

Mentoring is an ongoing state at Raytheon. "We're launching a mentoring effort with Tuskegee University through which some of our female executives at Raytheon will be mentoring female engineering students at Tuskegee. And I am currently mentoring about four or five individuals, each diverse in nature of color and/or gender," says Swanson.

Leonard understood, from an early age, the value of hard work and that no work was "beneath" any man. "Nothing in life ever came easy to my parents but they were always grateful for work and for food on the table. As scarce as things were, I never saw my parents turn away from a person in need."

And he was fortunate to have Al Barker, CEO of PSI Energy, recognize his future was in leading an energy company. Barker helped Leonard understand the business, not just the numbers. "He wanted me to know how real people used our product (electricity) and how difficult and dangerous it is to work with high voltage electricity, particularly during adverse weather. He was a man of uncommon wisdom and virtue."

Diversity challenge

Although this year's CEOs are being honored for leading diversity efforts, they also acknowledge the challenges ahead. And that's what is driving them and their decisions today.

L'Oréal

"With such a continued growth in the size and complexity of diversity in the world today, our biggest challenge is to stay ahead of the expectations of all our customers and all our employees," says Owen-Jones.

Lindsay Owen-Jones, L'Oréal

Title:	Chairman and Chief Executive Officer
Years in current position:	16
Company headquarters:	Paris, France
Primary business:	Cosmetics
2003 revenues:	\$15.5 billion
Education:	University of Oxford, England; Insead, France
First job:	1969 begins career with L'Oréal as a product manager
Family:	Married with one daughter
Interests:	Sailing, motor racing



NAME: Lindsay Owen-Jones AGE: 58
 TITLE: Chairman and CEO
 COMPANY: L'Oréal

Q: Beauty means different things in different cultures. How do you apply L'Oréal's notion of beauty to such a diverse (global) market segment?

A: "Before entering any new market we spend a surprising amount of time listening and anticipating. These are key qualities to understanding the diverse needs of our customers."

— Lindsay Owen-Jones, chairman and CEO, L'Oréal

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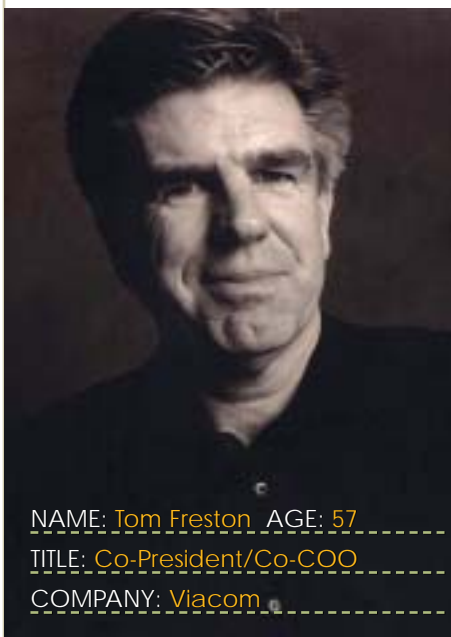
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NAME: **Tom Freston** AGE: **57**

TITLE: **Co-President/Co-COO**

COMPANY: **Viacom**

Q: Is MTV selling an American brand of music to the world or bringing the world's music to Americans? Is there a balance between the two?

A: "Eight out of 10 MTV viewers reside outside the United States ... each of our 96 channels is locally programmed by a staff of local employees who intimately know the tastes and culture of their audience and they alone are responsible for making the programming choices. Increasingly, their choices are for local artists and local musical styles."

— Tom Freston,
co-president & Co-COO,
Viacom International;
former CEO & chairman
of MTV Networks

Understanding what women and men want in different markets is L'Oréal's expertise.

"We invest in local knowledge gathering—with the manufacturing of products done locally (more than 95 percent of all L'Oréal products are manufactured by L'Oréal employees in L'Oréal plants around the world), and with the development of international research centers (in France, Chicago

and soon in China); local test centers; local and global trends monitoring; anticipation; and analysis."

Owen-Jones recognizes that in order to be globally successful, a company must first be global from within, and so the company continues to recruit a diverse workforce.

"We have chosen to ensure that diversity is recognized as a key, measurable element of everything we do.

"Our entire investment in our business model is centered around the respect that we have for the diverse cultures of the world. We have never sought to impose a single model of beauty. Our goal, therefore, has been to create a diverse portfolio of brands that offer our customers a choice of brands with different cultural origins and that are adapted to meet the specific needs of different cultures."

In 2003 L'Oréal developed the L'Oréal Institute for Ethnic Hair and Skin Research in Chicago, the first and only center in the world dedicated entirely to advancing knowledge of the unique properties and specific needs of the hair and skin of people of African descent. Within the next year, it plans to open a similar Institute based in China to better understand Asian hair and skin.

"As a company with its origins in science, we also understand the necessity and richness of diversity of gender related to the study of science. It is for this reason that we support and invest heavily in the L'Oréal UNESCO for Women in Science program, dedicated to promoting and encouraging women and the study of science around the world."

Tom Freston, Viacom

Title:	Co-President and Co-Chief Operating Officer, Viacom International—formerly, CEO and Chairman, MTV Networks
Years in current position:	One at Viacom; 17 at MTV Networks
Company headquarters:	New York, N.Y.
Primary business:	Viacom is a leading global media company, with preeminent positions in broadcast and cable television, radio, outdoor advertising and online. MTV Networks owns and operates many of the most popular basic cable television programming services, including MTV: Music Television, VH1, Comedy Central, Nickelodeon, CMT, TV Land, Nick at Nite, Spike TV and MTV2.
2003 Revenue:	Viacom was \$26.6 billion
2003 Fortune 500 ranking:	64
Education:	Bachelor's degree from St. Michael's College; MBA from New York University.
First job:	Advertising, accounts management
Family:	Wife; two sons



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MTV Networks

"The biggest challenge now is to keep the momentum going," says Freston. "We have invested a tremendous amount of resources and time in getting diversity and inclusion to become part of the fabric of life at MTV Networks in its entirety. But as new leaders come in and others move on, we must continue to educate and ensure that everyone realizes just how crucial diversity is to our continued success.

"I lead the company's diversity efforts and have made it a priority for all of the senior leaders.

"For the past two years we have had renowned diversity expert, Rosalyn Taylor O'Neale, on staff as our executive vice president of diversity. And, while she is leaving soon, Rosalyn has trained eight diversity leaders on my senior management team to manage a

well-organized diversity infrastructure.

"We are completely committed to creating a diverse and inclusive workplace and will spend whatever it takes to ensure that is a continuing part of working at MTV Networks.

"I think it is absolutely crucial that a communications company be a reflection of its audience and be able to authentically speak the language of its viewers.

"Creativity and our ability to create distinctive programming that connects with our audiences in deep and meaningful ways is the absolute key to our success. So, by that measure, diversity affects our bottom line in a very clear and direct way."

Russell Corp. / NYSE: RML

"Our biggest diversity challenge today involves moving our diversity ini-

tiative to the next level," says Ward. "We have made excellent progress, but we know that excellent progress is not the same as excellence. We still have locations where diversity is not as fully implemented as it should be for Russell to reach its potential.

"Our Diversity Scorecard, which includes training, representation and supplier diversity, is a bonus standard for all bonus-eligible employees.

"We have a corporate Diversity Steering Team, which I chair, that includes a diverse group of senior managers who represent all major businesses. The Diversity Leadership Team (DLT) is comprised of people from all background, levels, divisions and locations within the company.

"The Diversity Steering Team sets the objectives but diversity recommendations are made by the DLT and also by the networks. The DLT, with the support of the Diversity Steering Team, develops and implements action plans for those strategies. Our Corporate Vice President of Diversity is responsible for overseeing all of these efforts along with our corporate emphasis on education, representation and minority purchasing. That position reports directly to me.

"Working with the Diversity Department and the various groups involved in the initiative, we agree on a budget each year. Currently, the department has four full-time employees.

"Our diversity efforts help us recruit and retain the best and brightest talent and create a more inclusive work environment for all of our employees. It also has developed into an effort that provides major measurable business activities, such as our partnership with 30 historically black colleges and universities in three conferences."

Deloitte & Touche USA LLP

"The challenges we face in recruiting, training and retaining our people are the same that have always existed—we want the best people, and the

Jack Ward, Russell Corp.

Title:	Chairman and CEO
Years in current position:	Six
Company headquarters:	Atlanta, Ga.
Primary business:	Athletic wear and sporting goods
2003 revenues:	\$1.186 billion
Education:	Bachelor's degree and MBA from Cornell University
First job:	Working at summer camps; after college was a sales representative for Procter & Gamble
Family:	Married; two grown daughters; one grandson
Interests:	Travel, tennis, reading, roller-blading

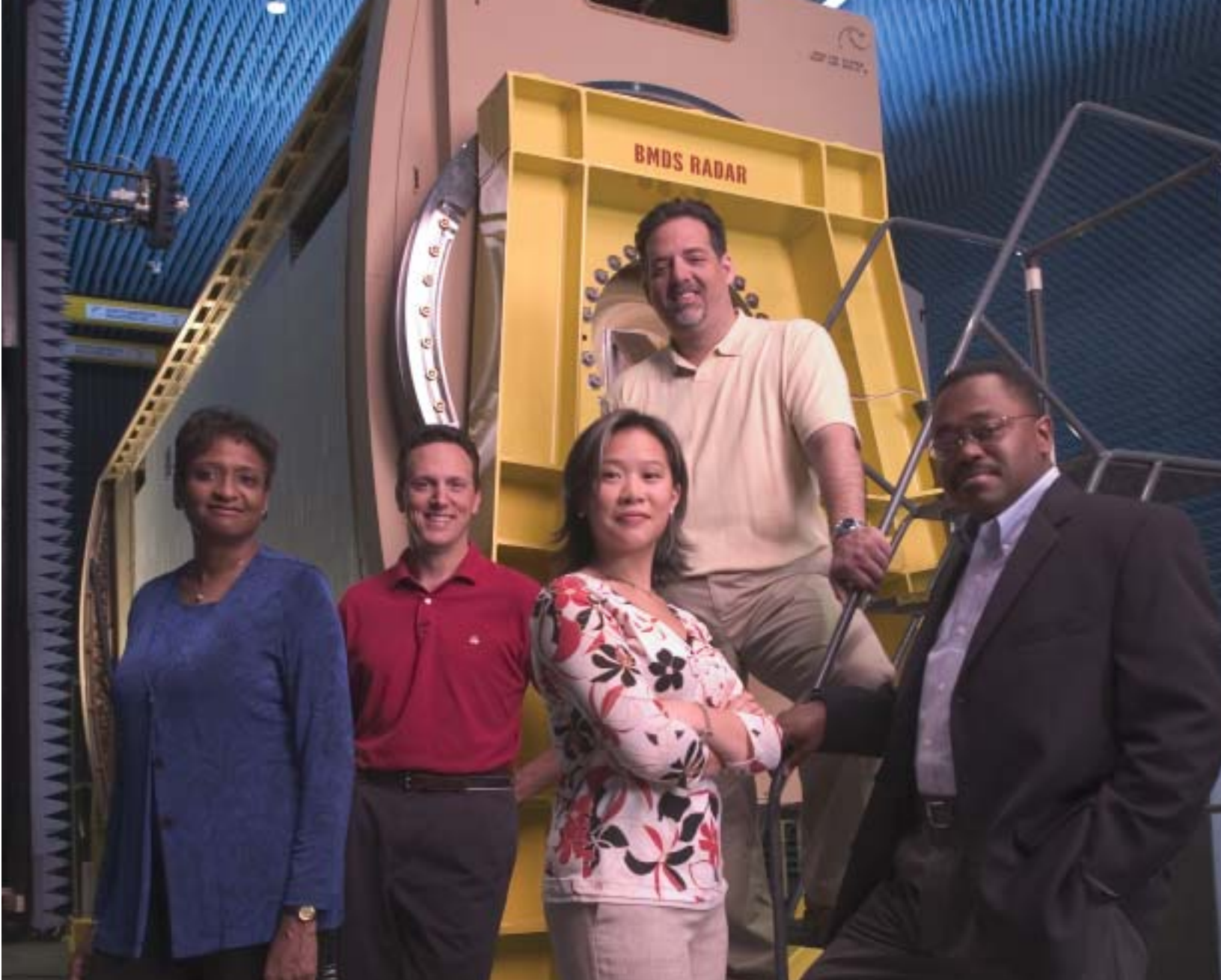


Q: Are your mentoring anyone today?

A: "One of the programs we adopted at Russell is a reverse mentoring program where I am actually mentored by someone with a very different background and, in my case, it is a single mother."

— Jack Ward, chairman and CEO, Russell Corp.

NAME: Jack Ward AGE: 61
 TITLE: Chairman and CEO
 COMPANY: Russell Corp.



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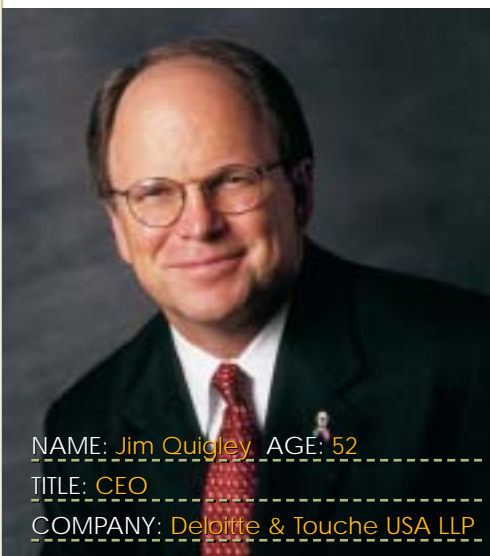
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NAME: *Jim Quigley* AGE: 52
 TITLE: *CEO*
 COMPANY: *Deloitte & Touche USA LLP*

Q: Did you always see yourself in a position of leadership?

A: "I grew up in rural Utah where being responsible and working hard were important and expected. Leadership is something you do rather than think about or aspire toward."

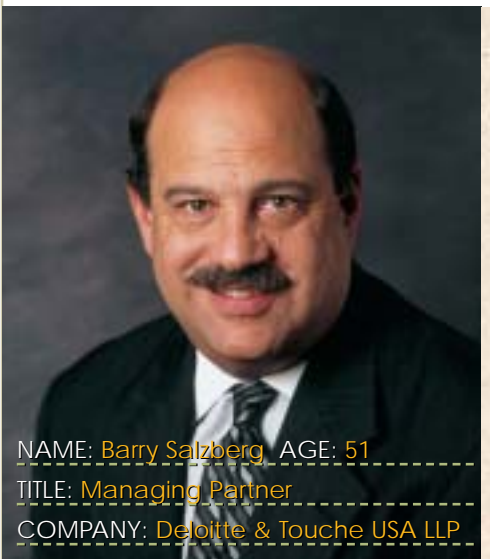
— Jim Quigley,
 CEO,
 Deloitte & Touche USA LLP

Jim Quigley, Deloitte & Touche USA LLP

Title:	CEO
Years in current position:	15 months
Company headquarters:	New York, N.Y.
Primary business:	Professional services firm
2003 revenues:	\$6.5 billion
Education:	Bachelor's degree from Utah State University
First job:	Haskins & Sells
Family:	Wife; three children; eight grandchildren
Interests:	Boy Scouts of America, American Institute of Certified Public Accountants, the NYC2012 Olympic Committee and Junior Achievement of New York City

best people are always in demand," says Quigley. "To attract and retain the best talent, we strive to benefit from and provide opportunities for diversity throughout all levels of management.

"Barry Salzberg and I champion our Diversity & Inclusion and our Women's Initiatives. We also lead an external Diversity & Inclusion Advisory Board and an external Council on the



NAME: *Barry Salzberg* AGE: 51
 TITLE: *Managing Partner*
 COMPANY: *Deloitte & Touche USA LLP*

Q: Who are your mentors?

A: "My wife has great insight into people and the business and is a tremendous help to me. As long as I've known her, she has never been afraid to voice her opinion, tell me I'm wrong or convince me that I could do something better."

— Barry Salzberg,
 U.S. managing partner,
 Deloitte & Touche USA LLP

Advancement of Women.

"Considerable resources are dedicated to ensuring that our Diversity & Inclusion Initiative moves forward. Our most significant investment is the time and energy we dedicate to demonstrate our commitment, share our passion and encourage others. Barry and I regularly visit offices and give talks around the country and within the firm to emphasize the importance of diversity and inclusion."

"I think one of diversity's biggest challenges is getting companies to understand the importance of diversity to their bottom line and that succeeding in the marketplace requires companies to support a diverse work culture," says Salzberg. "Deloitte's commitment to diversity, both in the firm and on our engagement teams, is actually a big factor in our ability to win clients in the marketplace. Clearly, clients want to work with a team that reflects the make-up of their own organizations.

"Other challenges include language and environment, which can create obstacles when global organizations, such as ours, work across borders. For example, we have member firms in 140 countries, often working together on different aspects of engagements with multinational clients. We have also opened offices of the U.S. firm in India; a move that we believe will improve our efficiency and profitability. The challenges that language and environment may create can be overcome through thoughtful action and visible commitment.

"I believe that our accomplishments are much more important than our expenditures. In 1998, 12.4 percent of our managers were people of color; by 2003 that percentage had grown to 22.3 percent.

"The turnover gap for people of color has dropped from 4.4 percent in 1998 to a negative 0.7 percent in 2004.

"In 1998, people of color represented 4.7 percent of our partners; that number



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Barry Salzberg, Deloitte & Touche USA LLP

Title:	Managing Partner
Years in current position:	15 months
Company headquarters:	New York, N.Y.
Primary business:	Professional services firm
2003 revenues:	\$6.5 billion
Education:	Bachelor's degree from Brooklyn College; Juris Doctor from Brooklyn Law School; LLM in taxation from the New York University School of Law
First job (full time):	Haskins & Sells (part-time: NYC Board of Education)
Family:	Wife and two sons

A. Maurice Myers, Waste Management

Title:	Chairman, President & CEO
Years in current position:	Five years on Nov. 10, 2004
Company headquarters:	Houston, Texas
Primary business:	Environmental services
Fortune 500 Ranking:	170
2003 revenues:	\$11.6 billion
Education:	Bachelor's degree from California State University at Fullerton and MBA from Long Beach State University
First job:	Began career with Ford Motor Co. in its financial management-training program
Family:	Wife; three married daughters; seven grandchildren
Interests:	Golf, fly fishing, being outdoors

rose to 5.1 percent in 2003. For women over that same period, that number rose from 10.4 percent to 17 percent."

Waste Management / NYSE: WMI

"To understand our challenges, we must look at the history of our company and understand that four years ago, we were tasked with turning the company around. At that time, we were focused on putting IT systems and business processes in place. Now that we've accomplished those goals, we can start to focus on enabling other key business practices such as diversity.

"One of our recent assessments shows that we need to make a particular effort to build diversity in nontraditional jobs—specifically in driver, mechanic and heavy equipment jobs. We've also noted that there is plenty of diversity on our front line, but not as much in senior management. One of our challenges is to communicate the business need for diversity throughout the organization.

"On supplier diversity, we are committed to a three-year strategy to achieve a Tier 1 supplier diversity spend of 10 percent. We expect to be at 4.5 percent by the end of 2004, 6.5



NAME: *A. Maurice Myers* AGE: *64*
TITLE: *Chairman, President & CEO*
COMPANY: *Waste Management*

Q: What qualities do you seek in leaders?

A: "Intelligence, the ability to clearly communicate, a record of success in all facets of life, a high level of energy and unquestioned integrity."

— A. Maurice Myers,
chairman, president & CEO,
Waste Management

Responsibility



Our responsibility as a Fortune 500 company and one of America's largest electric utilities is more than providing power. It's using our energy and leadership to cultivate the strength of an inclusive work environment. To provide opportunity and maximize the potential inherent in a world of diversity. To do everything in our power to make life better.

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NAME: William Swanson AGE: 55
 TITLE: Chairman and CEO
 COMPANY: Raytheon

Q: What is your definition of leadership?

A: "I believe there are four qualities to leadership—confidence, dedication, integrity and love. Leaders do the trivial and the unbelievable with the same level of panache."

— William Swanson, chairman and CEO, Raytheon

define how it can help grow a company's revenues and increase profit margins.

"A successful diversity and inclusion program means happier, more productive employees. It also means more business with suppliers and customers who share our diversity and inclusion values. These are all positives for the bottom line."

Raytheon / NYSE: RTN

"For our organization, the greatest challenge is helping people understand that diversity goes beyond race and gender and sexual orientation and all of the diversity traits that first come to mind. We talk about diversity in the context of diversity of thought. Our goal is to create an inclusive culture that engages every stakeholder in our mission of customer success. I'll know we've truly achieved our diversity goals when the opinions of individuals on the shop floor up through my office are equally valued.

"We face the same challenges as any highly competitive company in recruiting the best and the brightest, but we're working hard at that. One of the things that is unique to the defense industry in that regard is that we're restricted from recruiting foreign nationals due to 'classification' requirements on many of our contracts and so our candidate pool is more limited.

"Our structure includes a director of global diversity who reports to the sen-

William Swanson, Raytheon

Title:	Chairman and CEO
Years in current position:	One
Company headquarters:	Waltham, Mass.
Primary business:	Defense
2003 revenues:	\$18 billion
Education:	California Polytechnic State University
First job:	Engineer
Family:	Wife
Interests:	Golf, cooking, wine, reading, education (science/math)

percent in 2005 and 10 percent in 2006. In addition, we hired a Director of Supplier Diversity to help promote our strategy, internally and externally.

"I believe our most important goal is to raise the level of importance of diversity and inclusion so it is part of every manager's daily job as opposed to looking at diversity and inclusion as an initiative or project.

"Our chief diversity officer, Carlton Yearwood, is part of our senior team and participates in making major decisions for the company. He keeps diversity and inclusion 'top of mind', every day and in everything we do.

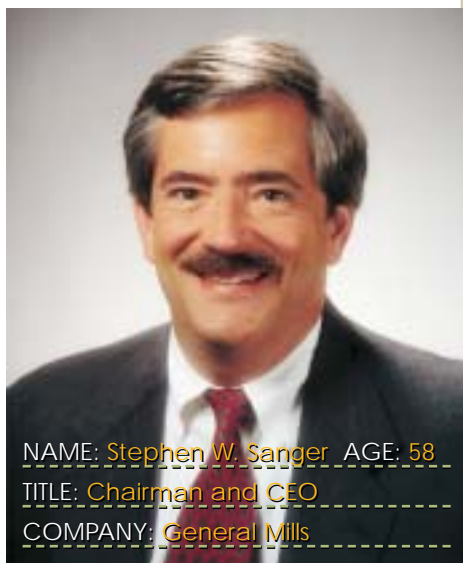
"Senior executives throughout Waste Management are assigned specific goals regarding diversity and inclusion in their own operations. Part of their annual incentive bonus is dependent on meeting those goals.

"We approach diversity and inclusion

as a value proposition. This approach leads to clear and unqualified understanding about the positive contributions a diverse workforce delivers. It also highlights the value any individual can provide our customers, shareholders and employees. Diversity must be an active player in a company's business strategy. Diversity also must

Anne Mulcahy, Xerox Corp.

Title:	Chairman and CEO, Xerox Corp.
Years in current position:	Chairman and CEO since January 2002; CEO since August 2001
Company headquarters:	Stamford, Conn.
Primary business:	Document technologies, products and services
Fortune 500 Ranking:	130
2003 revenue:	\$15.7 billion
Education:	Bachelor's degree in English/journalism from Marymount College in Tarrytown, N.Y.
First job:	Xerox sales representative
Family:	Husband; two sons
Interests:	Spending time with family



NAME: Stephen W. Sanger AGE: 58
 TITLE: Chairman and CEO
 COMPANY: General Mills

Q: What resources (financial and manpower) are spent on diversity?

A: "The Diversity Department consists of six full-time employees; two dedicated to supplier diversity, 1.25 to workforce diversity; 0.75 responsible for experienced diverse recruiting, one administrator and our vice president of diversity and staffing. We have a supplier diversity commitment of \$225 million. This year's budget is just over \$1.4 million."

— Stephen W. Sanger, chairman and CEO, General Mills

ior vice president of human resources, who reports to me. This is a position that used to be rotational, but is now permanent. We also have a Diversity Champion who chairs our Executive Diversity Council and works in partnership with the Diversity Director. Our Diversity Champion is a senior leader of my team. It's a rotational assignment, providing my Leadership Team members with the opportunity to be well-steeped in this area.

"We have a robust diversity infrastructure including our Executive Diversity Council (EDC), our Human Resources Diversity Council (HRDC) and Employee Resource Groups. There's tremendous dialogue about diversity and decisions are made collaboratively across the organization.

Stephen W. Sanger, General Mills

Title:	Chairman and CEO
Years in current position:	Nine
Company headquarters:	Golden Valley, Minn.
Primary business:	Food Manufacturing
Fortune 500 Ranking:	186
2003 revenues:	FY2004 \$12.3 billion
Education:	Bachelor's degree from DePauw University; MBA from the University of Michigan
First job:	Marketing and sales positions with Procter & Gamble

"It's tough to put a dollar figure on what we spend on diversity because the definition is so far-reaching. Our financial support of conferences and corporate contributions reflects our commitment to diversity. We provide financial resources to our Employee Resource

Groups. We just launched a new diversity campaign to attract talent."

General Mills / NYSE: GIS

"Decisions regarding corporate diversity are ultimately made by myself, Mike Peel, senior vice president, human resources and Lisa Novotny, vice president, diversity and staffing, with input from the Diversity Department and any of a variety of internal diversity related groups," says Sanger. "These groups include our Employee Networks and forums as well as ad hoc teams, such as the Diversity Scorecard team, tasked with addressing diversity opportunities."

Xerox Corp. / NYSE: XRX

"One of the things that I think sets us apart is Xerox's



NAME: Anne Mulcahy AGE: 52
 TITLE: Chairman and CEO
 COMPANY: Xerox

Q: What do you see is the value in mentoring?

A: "As a female executive, I understand the need to serve as a role model for other women to achieve their highest potential. I'll know that women have really made it in the business world when the appointment of a female CEO makes headlines not because of her gender but because of her accomplishments as a successful leader."

— Anne Mulcahy, chairman and CEO, Xerox Corp.

J. Wayne Leonard, Entergy

Title:	Chief Executive Officer
Years in current position:	Six
Company headquarters:	New Orleans, La.
Primary business:	Utility
Fortune 500 Ranking:	217
2003 revenues:	\$9.1 billion
Education:	Bachelor's degree from Ball State University; MBA from Indiana University
Family:	Wife; three daughters
Interests:	Running

longtime focus on diversity and inclusion, dating back to the mid-1960s, and the fact that our commitment has been so consistent over time," says Mulcahy. "It's not a short-term program but a long-term way of life at Xerox.

"I focus more on how we can effectively work together and get things done rather than on where lines happen to fall on an organization chart. This company's commitment to supporting a diverse, inclusive work environment, in the broadest of ways, is

clear and extends well beyond my office and direct reports into every aspect of Xerox operations.

Our Executive Diversity Council is chaired by our chief staff officer, Hector Motroni, who does report directly to me, as do several members of the Council.

"This issue is not about numbers as much as about role-modeling leadership behaviors and communicating clearly and frequently what is expected within Team Xerox. Elements of diversity are built into so many aspects of Xerox: from leadership development, to recruiting, to supplier/vendor relationships, to community outreach and philanthropy efforts.

"The business benefits of diversity are obvious. People with different backgrounds and experiences bring different skills and ideas to solve problems, are better able to address the needs of customers in a global, competitive business environment, and make the workplace more inclusive and adaptive. I believe the energy and creativity of our people give us a competitive advantage."

Entergy / NYSE: ETR

"Our biggest diversity challenge is knocking down the barriers to upward mobility in the organization.

"The Office of the Chief Executive (OCE) is responsible for setting the overall direction for Entergy's Diversity and Inclusion Initiatives.

"The chief diversity officer reports to the Senior Vice President of Human Resources and Administration who is also a member of the OCE.

"The OCE creates diversity action plans, sets goals and provides leadership for the entire organization. Through interaction with the chief diversity officer, we keep abreast of trends and develop strategies to accomplish Entergy's Diversity Vision.

"Each business unit and major employment center has a diversity council; the chairs of these councils come together and comprise the Inclusion Steering Committee.

"There are three full-time staff resources dedicated to diversity: two exempt and one non-exempt. The inclusion budget is about \$500,000. In addition, we are currently having all 15,000 employees in our company attend diversity training. When completed, this training will have been an expense in excess of \$2 million.

"Our definition of diversity and inclusion makes it easier to understand how the program impacts the bottom line. We believe that employees cannot be expected to face the challenges, take the risks or endure the long road unless they are sup-

Q: What are your biggest diversity challenges today and why?

A: "Our biggest diversity challenge is knocking down the barriers to upward mobility in the organization. We hire good people, but too many still get hired away before they reached their potential because others have identified them and are offering better opportunities sooner, or we have segments of the organization that have not fully embraced the 'spirit' of diversity."

— J. Wayne Leonard,
chairman and CEO,
Entergy

NAME: J. Wayne Leonard AGE: 53
TITLE: Chairman and CEO
COMPANY: Entergy



ported, valued and appreciated as unique human beings with individual differences. Supporting employees positions them for success; and when the individuals are successful the company is successful. That success is reflected in the bottom line."

Leveraging diversity to improve the bottomline is what makes these leaders tops in 2004.

BMC Software / NYSE: BMC

"One of the biggest—if not the biggest—challenges every company faces is managing change. Companies today are either going to be able to transform themselves continually or they will be left behind. Implementing diversity is a change in process and a change in culture. And change is hard.

"Every business would agree that its employees are the foundation of its success, but when you're in the software business, you really depend on your intellectual capital. BMC doesn't have natural resources or reserves in the ground. We don't have manufacturing plants around the world; all we have are people's ideas. We must be able to take these ideas and turn them into software and get that into the hands of tens of thousands of customers around the world," says Beauchamp.

"The challenge for BMC is to consistently attract, retain and develop the best talent in the software industry. To do this, you must prove to current and potential employees that everyone has the opportunity to contribute, to grow and to reach their potential. You must encourage all voices to be heard and give all employees the opportunity to be all that they can be. Our business is global and our talent must reflect the diversity of our

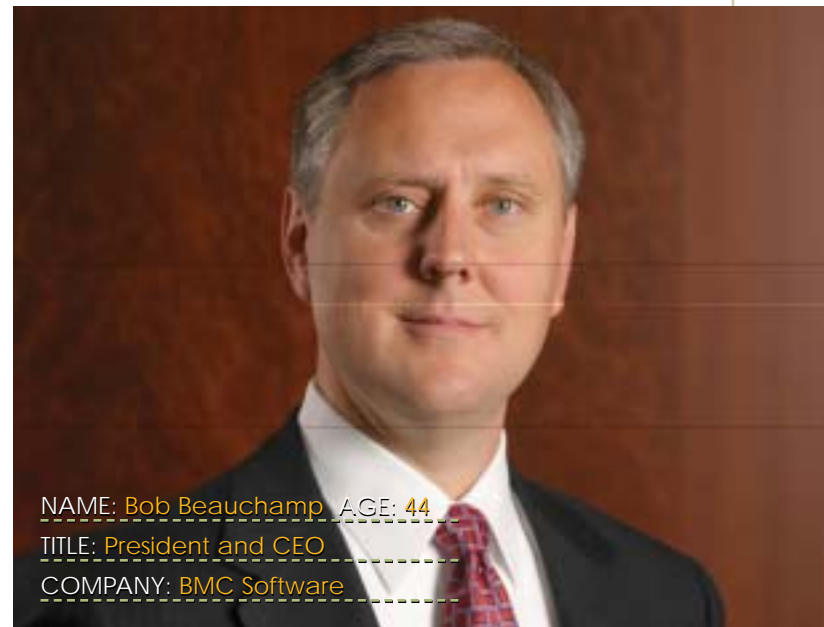
customers so that we can better understand the nature of their businesses.

"We've made progress in a number of areas and have a very diverse employee base. When I assumed my current role, our board was comprised of white males. We've diversified the board to bring a range of experience with fresh perspectives and new ideas.

"In fiscal year 2004, 19.8 percent of our discretionary spend went to diverse suppliers, including minority- or women-owned businesses. We're beginning fiscal year 2005 on a pace to increase this spend to 22.3 percent. Currently we're focusing our efforts on developing diverse sources for professional services, such as financial and legal.

"We have a diversity office that reports to the senior vice president of administration. Four global action teams are working on key areas: mentoring, work/life balance, advancing talent and recruitment."

PDJ



NAME: **Bob Beauchamp** AGE: **44**

TITLE: **President and CEO**

COMPANY: **BMC Software**

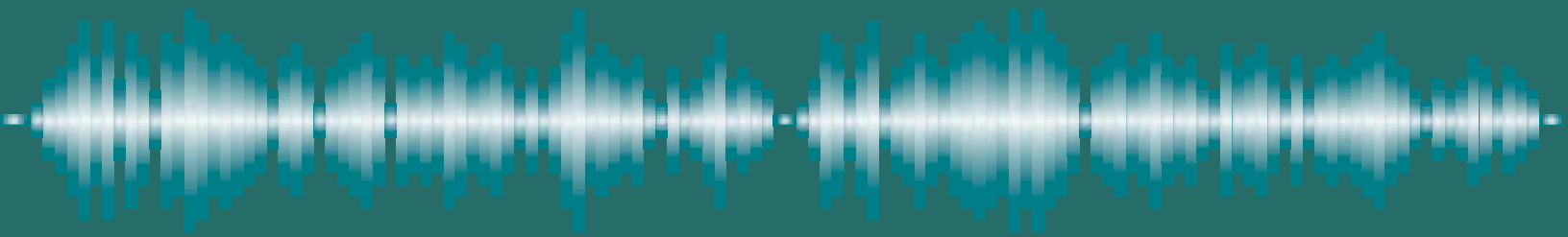
Q: What is a great leader to you?

A: "Great leaders are people you trust. Great leaders have vision. I believe great leaders lead from the front. People need to see the person driving the vision. Leaders must be able to attract high quality talent. While someone may be a good individual performer, he or she must be able to build a strong team in order to lead. Great people won't work for poor leaders for long."

— Bob Beauchamp,
president and CEO,
BMC Software Inc.

Bob Beauchamp, BMC Software Inc.

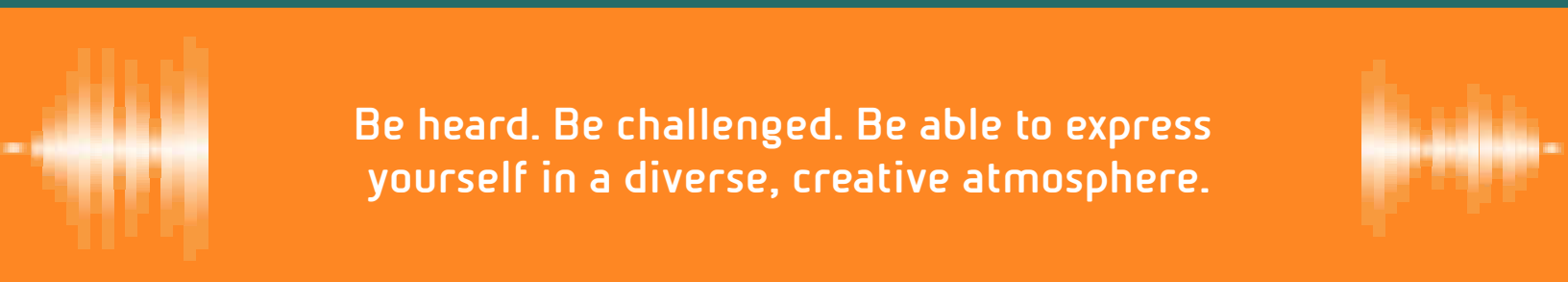
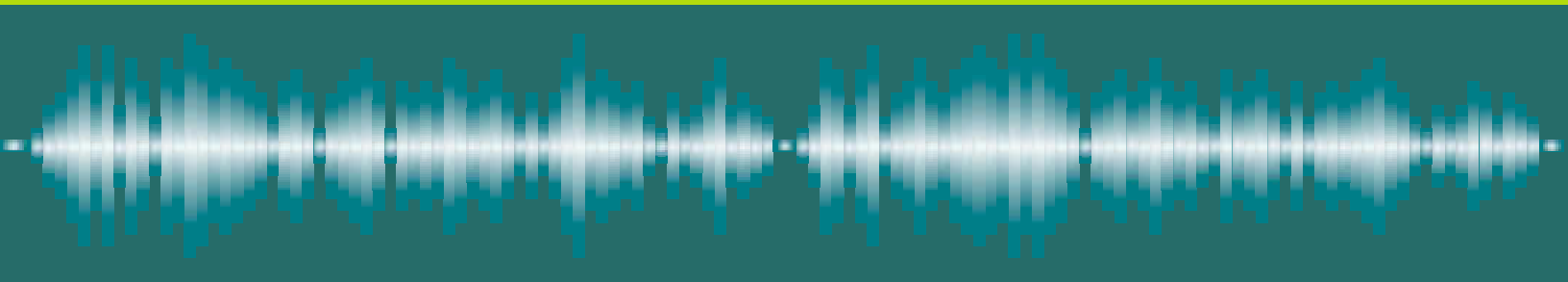
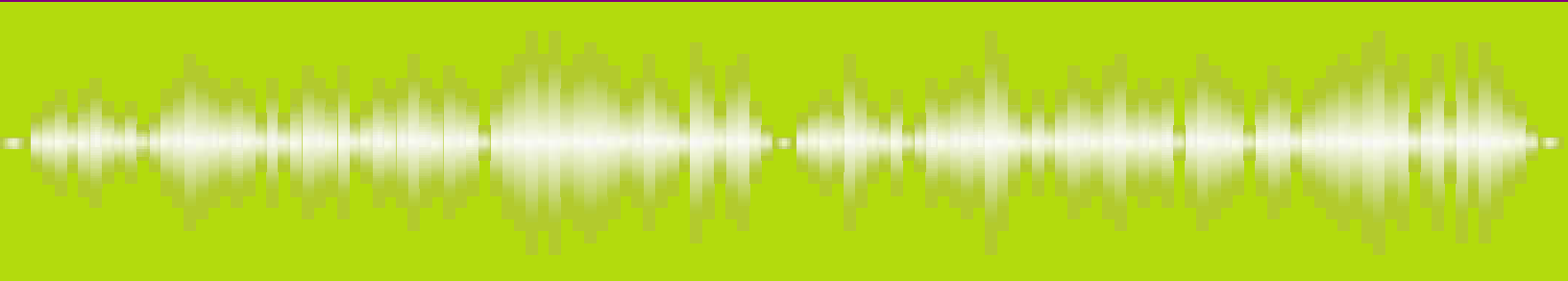
Title:	President and CEO
Years in current position:	Three
Company headquarters:	Houston, Texas
Primary business:	Enterprise Management
Fiscal 2004 Revenues:	\$1.4 billion
Education:	Bachelor's degree in finance from University of Texas-Austin; master's degree in management from Houston Baptist University
First job:	Sales representative
Family:	Wife and four sons



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