

A black and white portrait of William P. Lauder, Executive Chairman of The Estée Lauder Companies. He is a middle-aged man with short, wavy, graying hair, wearing a dark suit jacket, a white dress shirt, and a patterned tie. He is smiling slightly and looking directly at the camera. A small white ribbon pin is visible on his left lapel. The background is a dark, solid color.

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**William P. Lauder,**  
Executive Chairman, The Estée Lauder  
Companies

Special recognition

## **William P. Lauder**

The Estée Lauder Companies

In the world of beauty, The Estée Lauder Companies stands out as one of the world's best in prestige beauty. But what is less well known about the famous cosmetics giant is its status as one of the world's great family businesses. Three generations of the Lauder family have stood at the helm of The Estée Lauder Companies since it was founded in 1946. William P. Lauder, a member of the third generation, is currently the Executive Chairman. His father Leonard A. Lauder and uncle Ronald S. Lauder sit on the Board of Directors. And together with William's cousins Aerin and Jane, the Lauders stand as one of the most distinguished families at the heart of a public company anywhere in the world.

## Special recognition

There is no official list of the world's most iconic companies. But if there were, The Estée Lauder Companies, the New York-based cosmetics company, would be among the first names to be on it. Founded more than 70 years ago, The Estée Lauder Companies is instantly recognizable – in the global beauty industry and beyond.

But what is less known, though just as big a reason for its success, is that The Estée Lauder Companies is a family business, currently with five Lauder family members actively engaged in its leadership. Indeed, it is one of the world's greatest family businesses. And it is just as iconic in the world of family businesses as in the world of beauty.

The Estée Lauder Companies has achieved remarkable growth since launching as a single brand in 1946. In the year ending June 2016, the company had net revenues of US\$11.26 billion. Today, it boasts a portfolio of more than 25 prestige beauty

At the heart of the company's 70-plus years of success is the daring and determined spirit of its namesake founder Estée Lauder – one of the 20th century's greatest entrepreneurs and businesswomen. Estée had a sixth sense when it came to beauty. But she combined her instincts with a highly tuned entrepreneurial intelligence only the very best in business will ever have. This quality is perhaps best summed up by one of her famous quotes: "No one ever became a success without taking chances ... One must be able to recognize the moment and seize it without delay."

### Estée Lauder – an entrepreneur like few others

Born in Queens, New York, in 1906, Estée's interest in beauty was sparked in high school when her Hungarian uncle came to live with her family and began creating skin creams. Her knowledge and passion for beauty grew throughout the 1920s, when she met Joseph Lauder,



**01** Estée Lauder launched its first ever makeup line in 1962. **02** In 1969, Estée Lauder moved its headquarters to the GM Building on Fifth Avenue in New York City. **03 and 04** Estée in her office on 5th Avenue. She introduced a more intimate style of engaging with consumers with the company's signature "High-Touch" approach to service.

brands across makeup, skin care, fragrance and hair care. Apart from its founding brand Estée Lauder, the company is home to many other well-known brands such as Aveda, Bobbi Brown, Clinique, Jo Malone London and M·A·C Cosmetics.

whom she married in 1930. Shortly after, the couple adopted the surname Lauder, correcting a misspelling that dated back to when Joseph's father emigrated from Austria to the US. In 1946, Estée and Joseph officially



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launched the company and, a year later, they got their first major order: US\$800 worth of products from Saks Fifth Avenue.

One of Estée's greatest skills was her innate instinct for what women wanted. A brilliant marketer and saleswoman, she believed that, to make a sale, you had to touch the consumer, show her the results on her face, and educate her about the products. This more intimate style of engaging with consumers was the start of the company's signature "High-Touch" approach to service. Estée also revolutionized how products were introduced with her now-famous "Gift with Purchase" concept – later copied by other cosmetics companies and currently a standard industry practice.



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"I have so much admiration for my grandmother, who set out to create a brand and a company right after World War II," says William Lauder. "She rode trains throughout the United States, sat outside of buyers' offices, with the perseverance to say: 'You have to try my product, you have to try this.' It would have been extraordinary if it was a man doing this, but not unusual. But for a woman, in that time period, it was absolutely unheard of."

Estée's eldest son Leonard A. Lauder joined the family business in the late 1950s. As President and, later, CEO of the company, Leonard took the business to new heights, focusing on innovative sales initiatives and marketing programs. Under his leadership, the company launched famous brands such as Aramis, Clinique and Lab Series, and acquired brands M-A-C Cosmetics, Bobbi Brown and Aveda in the mid-1990s. Leonard became Chairman in 1995, when the company listed on the New York Stock Exchange. Today, he serves as Chairman Emeritus and is often referred to as "chief teaching officer." His wife, the late Evelyn Lauder, was "the nose" of the company for many years, serving as Head of Fragrance Development Worldwide and Senior Corporate Vice President during her 50-plus years with the company. Evelyn was perhaps best known to the public for her work in bringing global awareness

What makes a cream worth 115<sup>00</sup>?

Rare ingredients. Rare formula. But above all, the rare perception of a woman like Estée Lauder who knows almost better than anyone how to keep you looking younger, fresher, lovelier than you ever dreamed possible. She has created what she likes to think of as "a goldmine of beauty"—her Creme de Creams, RE-NUTRIV. This treasury of some of the world's costliest ingredients includes Turtle Oil, Shark Oil, Royal Jelly, Silicone and Leichol, plus 20 additional ingredients never before blended into one jar of cream. This concentration of youthgiving agents helps rebuild and firm the skin, reflecting the freshness and radiance of a years-younger complexion. RE-NUTRIV in 16 oz. jar, \$115; 8oz. \$70; 4oz. \$45; 2 oz. \$30; 1 oz. \$20. Costly? Yes, but so rewarding!

Estée Lauder 666 Fifth Avenue • New York 19

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05 The company's first important product Estoderme was launched in 1953. 06 Re-Nutriv advertising proudly listed the unprecedented price of US\$115 a jar. 07 Clinique, with its breakthrough technology, revolutionized the industry, becoming one of the most successful brands in cosmetics history.

to women's health and co-creating the Pink Ribbon, recognized as the worldwide symbol of breast health. Estée's younger son Ronald S. Lauder has also played a big role in the success of the family business since joining in 1964. He is credited with helping Clinique to become a very successful business and was instrumental in the creation of the Prescriptives brand. He's been Chairman of Clinique Laboratories since 1994 and sits on the Board of Directors of The Estée Lauder Companies.

The third generation came into the business more than 30 years ago when William, the son of Leonard and Evelyn Lauder, joined as Regional Marketing Director of Clinique for the New York metro area. In 1990, William led the creation of Origins, the industry's first wellness brand in US department stores, and pioneered its innovative store-within-a-store concept. He was subsequently promoted to a number of senior leadership roles, including overseeing worldwide business for the Clinique and Origins brands and leading the company's Freestanding Store business. William is also credited with leading The Estée Lauder Companies into the digital age with the launch of Clinique's e-commerce site in 1996. In 2004, he was appointed CEO – a post he held for five years. Today, he is Executive Chairman and Chairman of the Board of Directors. His cousins

## Special recognition

Aerin Lauder and Jane Lauder – both daughters of Ronald and granddaughters of Estée and Joseph – also hold senior leadership roles at the company. Aerin, who joined in 1992, is the founder and Creative Director of eponymous luxury lifestyle brand AERIN; she is also Style and Image Director of the Estée Lauder brand. Jane, who joined in 1996, has been the Global Brand President of Clinique since 2014. She previously oversaw the Origins, Ojon and Darphin brands, and has been a member of the company’s Board of Directors since 2009. “We each have our own lanes of authority and expertise,” says William.



Since 2012, William has taught an MBA course on leadership and decision-making at The Wharton School at the University of Pennsylvania.



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**01** William, with his parents Leonard A. Lauder and Evelyn H. Lauder, and his grandmother Estée Lauder, at the launch of wellness brand Origins in 1990. **02** Estée Lauder was one of the 20th century’s greatest entrepreneurs and businesswomen, and had a sixth sense when it came to beauty. **03** Three generations of the Lauder family are pictured here. **04** Sisters Aerin Lauder and Jane Lauder, William’s cousins, are part of the third-generation of family leadership at ELC.

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William P. Lauder

### A strong set of values

William, along with the rest of the Lauder family, believes the strong values of the company are a defining aspect of its long-term success. “We have a mission at The Estée Lauder Companies, which is to bring the best to everyone we touch,” he says. We always think: ‘What are those value systems that motivate us every day, that help us to make the day-to-day decisions of what makes a total company?’ There is a reason why certain organizations and institutions that cross countries and borders actually have a consistency of experience, and it's not because there's one person who's out there enforcing it. It's because there's a vision out there that's enforced and reinforced by everyone within our organization, not just the family.”

With a business as big as The Estée Lauder Companies, the management of talent at all levels is crucial. “For us, talent is about engaging, cultivating and retaining the best people, not just at the most senior levels, but also developing diverse junior and mid-level employees to ensure a strong pipeline of diverse future leaders,” says William.

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William's role as a top manager of one of the world's most famous brands, as well as his skills in managing a family business, means that his insights into the world of management are in great demand. Since 2012, he has taught a course on leadership and decision-making at The Wharton School at the University of Pennsylvania. With regard to leadership, William says: “The single best leadership principle I can give anyone is that you have to be a very good, clear communicator, and you have to be a very effective enabler of your organization.” “Your people have to feel confident that they understand the mission, that they are prepared and trained and have the tools to make the right decisions, and that you as a leader give them permission to make the right decisions.

“As a leader, whether you lead a counter, whether you lead a region, whether you lead a nation, it doesn't matter, the principles are still the same. You have to get the best out of the people whom you have the responsibility of leading and, in order to do that, you have to help them to be as good as they can be. Coach them. Don't do the job for them. Coach them to do it well. Encourage them to keep doing it well, and they will keep doing it well.”

Together, three generations of the Lauder family have created one of the most iconic companies in the world. The family's strong set of values, which stem from the remarkable journey of visionary founder Estée, has been paramount to the company's success for more than seven decades. Those same values will no doubt fuel the success of The Estée Lauder Companies for decades to come. And that is testament to one of the world's greatest business families.

### William P. Lauder

Executive Chairman

Company name: **The Estée Lauder Companies**

Generations: **Second and third**

Founded: **1946**

Industry: **Cosmetics**

Employees (2016): **46,000**

Revenue (2016): **US\$11.26b**