

## **P & G places hemisphere operations in Costa Rica, serves the community**

By Kenneth D. MacHarg

Raquel Diaz spent a recent Saturday with her family and co-workers painting, repairing and improving a school in the Talamanca area of Limon province.

“It was an interesting project because we were helping to provide a new model in school construction,” she said. “The building was constructed on 3.5 meter-high pillars because in that area, during the rainy season, the school would often become full of water.”

“My family enjoyed working there investing a Saturday morning to make a contribution to the community,” she said.

Diaz’s work was not only personally satisfying, but also represented a strong community consciousness that her employer, Proctor and Gamble Global Business Services, brings to its vast operations in Costa Rica.

Diaz is the General Manager for P & G operations in Costa Rica.

“We are a socially responsible citizen,” affirmed Alejandra Cobb, the firm’s External Relations Director. “That’s a philosophy of Proctor and Gamble not just in Costa Rica but around the world.”

Cobb said that employees are encouraged to participate in volunteer projects throughout the country. Over 2,300 employees have been involved in 50 projects from donating the construction of schools to helping improve the infrastructure of other entities.

“We have received awards for this participation for the past three years,” Cobb said.

Proctor and Gamble is celebrating the fifth anniversary of its operation in Costa Rica that has seen the creation of more than 1,400 jobs for the local economy.

In an effort to reduce costs and provide for a higher efficiency, the company decided to consolidate its scattered internal business services in three locations, England, the Philippines and Costa Rica.

Now, all of P & G’s cost accounting services, cash management, bookkeeping, payroll, travel, credit card and travel and relocation services are located here, serving all of the company’s offices and factories in North, Central, South America and the Caribbean.

“We provide all of Proctor and Gamble’s payroll services for its 63,000 employees and retirees in this region from here,” Cobb said. “This area represents 70% of the total sales of the company.”

“Our services here are strategic,” she explained. “If we are not efficient, 56,000 employees and 7,000 retirees will be affected.”

The Cincinnati-based Proctor and Gamble company markets products in 160 countries under 300 brand names including Pringles, Pampers, Ariel, Tide, Crest, Olay, Clairol, Charmin, Whisper, Bounty, Folgers and Downy.

In 2002, after two years of operating the Costa Rican center, which is located in Santa Ana, P & G decided to take a unique step of developing alliances with other companies with whom they contract to provide some of their services.

“We reached an agreement with IBM, Hewlett Packard and Jones Lang LaSalle to have them help us,” Diaz explained.

Currently, IBM handles all of P & G’s Employee Services activities, including payroll, travel and location, Hewlett Packard oversees IT functions, and Jones Lang LaSalle handles facilities management.

All together, the operation provides a variety of services for Proctor and Gamble including:

- Accounting support for 140 legal entities from one end of the continent to the other
- Accounting services for 68 production plants
- The processing and payment of 2.5 million accounts due each year, equaling around \$24 million dollars of transactions
- Administering 310 bank accounts in 35 banks

With Costa Rica’s reputation as an environmentally-conscious nation, P & G works hard to assure that their operation here contributes to the protection of the country’s natural resources. As a service-oriented facility, the company’s only waste product here is paper. P & G has established a recycling program to dispose of that by-product in an acceptable manner.

A business move that has proven to be very successful for Proctor and Gamble has also been very beneficial for Costa Rica.

“Nearly 98 percent of our employees are Costa Rican,” Cobb reported. “But, we are a very diverse company and have employees from Venezuela, Mexico, Colombia and the United States.”

Cobb said that the company has a strong commitment to training and promoting employees. “The majority of people that we hire are just out of college and they come in at an entry level,” she said, adding that most of the employees are between 23 and 25 years old. “Through our training program, the company gives them the ability and skills to do their jobs.”

Cobb reported that 100 percent of the local employees have received training on site to improve their skills.

“Human development is our strongest area,” she said. “Last year, we provided 58,000 hours of training for our employees.”

In the area of English language training, the local P & G office offered over 13,000 hours of training in 2003.

The company strives to promote employees from within the firm to management positions rather than hiring from outside.

“We offer very high value added jobs to people in Costa Rica with very competitive salaries,” Diaz said. “Because we are a global company, many of our people have been promoted to management positions and now are working in places like Mexico, Guatemala and the United States.”

Proctor and Gamble has a strong record of retaining employees, Diaz reported. As an example, she said that “Of the 54 original employees five years ago, 33 are still with us.”

The company has received a number of public recognitions for its service and community consciousness here. These include:

- Recognition as a “team employer” at Expoempleo 2004
- First place award for Responsible Social Action given by AMCHAM for three consecutive years, 2000-2003
- Winner of an award for Responsible Social Action awarded by the Costa Rica Chamber of Commerce, 2003
- First place winner for Best Exporter of Services, awarded by the Costa Rican Chamber of Exporters, 2002

Cobb said that P & G is also very pleased with its decision to locate in Costa Rica. “We were looking for a city with a large population for recruiting employees,” she said.

“In addition, we wanted a country with good human resources, an educated labor force and good language skills,” she said. “We also needed a country with good air access to other parts of the world and a good communications infrastructure.”

And, very importantly, P & G wanted a country that was stable economically and politically.

Diaz and Cobb expressed satisfaction with their company’s operations in Costa Rica and what it has offered to P & G’s worldwide operation. “We had a five year goal to generate a high level of savings for Proctor and Gamble within five years,” Diaz said. “We achieved that goal two years early.”

**Dispute simmers over closing of 80 Evangelical churches in Costa Rica, *AM-Cham Magazine*, Aug 16, 2004**

