

# FORTUNE

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## How to Get Ahead in America

Trim, well-tailored, every hair in place -- Michael K. Lorelli, 44, is the very picture of the organization man he expected to become. But Lorelli, whom PepsiCo last year named president of its \$1.8 billion Pizza Hut International division, took a serendipitous detour from the straight and narrow path early in his working life. It set the pattern for his rise.



He grew up in a middle-class neighborhood of New York City. In 1973, with an MBA from New York University, he joined the marketing department at Clairol. He advanced to product manager in two years. Then-president Bruce Gelb called him into his office and said he had a special assignment.

Lorelli's first thought was that Gelb was setting him up to be fired. But no. The Food and Drug Administration was considering banning key ingredients in Clairol's mainstay hair-dye products because they were suspected of causing cancer in laboratory rats, and Gelb wanted Lorelli to head a project to respond to the FDA threat. He was given carte blanche to rescue the business, which brought 80% of Clairol's profits. Coordinating a team of executives, all of them many years his senior, Lorelli set out to challenge the agency's evidence. At the same time, he had his team quietly begin reformulating the dyes to remove the offending chemicals.

The team's 18 months' work was a stellar success. Clairol scientists discovered that the amount of hair dye the FDA fed to the rats was the human equivalent of drinking 25 bottles of the stuff a day. Lorelli launched a media counterassault, which demolished the health risk charge. The FDA backed off.

The episode taught Lorelli a lot about managing his career. He saw how the regular presentations he gave to senior managers at both Clairol and parent Bristol-Myers enhanced his visibility and reputation. And leading a high-powered team under intense pressure, he says, "gave me management skills I couldn't have developed in ten years." (Moral: Don't dodge crisis management. Instead, seek it.)

Lorelli soon yearned for a new chance to build his management skills. Enter: Playtex International, which wanted to build its health and beauty aids product lines around the world. Playtex lured Lorelli with a risky proposition: If you can develop a strategy that excites us, we will put you in charge of the new business; but if you fail, you may not have a future with us. Guess what he did.

"Man, was I ever unqualified to do this job," he says. "But that was the attraction of it." The effort required him to stretch himself. He had to build manufacturing plants and a distribution network, source raw materials, form joint ventures and licensing agreements with other companies, and take responsibility for the new international division's financial performance. By the mid-1980s, he had built it into a \$100 million enterprise operating in ten countries.

Not bad for a 36-year-old -- but not enough. Lorelli longed to join an organization where he could further expand and test his management strengths. Through executive recruiters, he found PepsiCo, which nurtures management Schwarzeneggers like him by rotating them through a succession of broadening assignments.

Starting in 1986 as senior VP for marketing of the flagship soft drink, he moved on to head the eastern U.S. Pepsi-Cola division -- helping to increase profits 15% annually during his three years there. At Pizza Hut International, he plans by 1996 to double the number of stores from the 2,500 currently operating in 84 countries. PepsiCo, he says, seems to offer all the challenges he needs.