

## Absorbs the Worry

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You may recall the play and movie “Mr. Roberts.” The story about an officer on a cargo ship in World War II with a captain that was barely competent. Mr. Roberts yearned for a more active role in the war and worked a transfer to a battleship only to have tragedy befall him at his new assignment. This is a personal P&G version of that story – in three chapters: New Opportunity, Crisis, and Holding the Bag.

### Chapter 1 – New Opportunity

Being transferred from Procter & Gamble’s Food Division to the Paper Division in 1979 was like Mr. Roberts leaving the USS Reluctant to go to a front-line warship. The Food Division was the step-child that never made much money and was rarely given much money to spend. The Paper Division was growing rapidly and had money to spend and places to spend it. The place even smelled better – the Paper Division smelled like new, crisp, freshly printed hundred-dollar bills – while the Food Division smelled like old pennies or worse.

My role in Food and now Paper was as a Manufacturing Division Manager which meant responsibility for some number of manufacturing plants, and representing manufacturing on one of the brand teams. To my delight, the newest plants, Albany, Georgia, and Cape Girardeau, Missouri, were my assignment as well as the exciting new product – Rely Tampons.

After a few days in the Cincinnati Paper Manufacturing Office, I went to Albany for a full week to learn as much as I could about the technologies and people. The first couple of days involved crawling around and inside the huge machines that convert paper pulp to paper sheets, and the conversion of that paper to products like Bounty and Charmin. The Pampers diaper lines were marvels of moving web technology producing multi-layer pads at high speed. Of course, the plant allowed ample time for a full introduction to the Rely product and operation.

The Rely product breakthrough was using well known technologies in a different way to help women deal with their annoying monthly problem. This tampon product was a polyester mesh pouch with tiny foam cubes and small squares of highly absorbent carboxymethyl cellulose. Rely was assembled in a two-part tube, and was a dramatic departure from the mostly cotton products on the market.

My introduction to Rely was one of the most embarrassing two hours I have ever spent – anywhere, anytime. Picture a large conference room with tables arranged in a square, and about a dozen plant and R&D managers, men and women, arrayed around the table eager to meet – and influence - their new Division Manager. Being “on-stage”

was nothing new, so that manager was conscious that his reactions and questions would be observed carefully. What he had not considered is that the presentation would focus on the obvious subject of women's menstrual cycles – the physiological, medical, and handling thereof.

To my chagrin, diagrams of the female pelvis and vagina were described in clinical detail along with various products passed to be handled and understood. Mother told me not to look in women's purses so I would not embarrass them or myself by finding one of "those" items. Having been married for 20 plus years at that point, I was well aware of the nature of this feminine condition, but completely unprepared to discuss it in a room full of men and women. First, I could feel my face flush even at the start of the presentation. Then, to my increasing discomfort, the various products types and functions were described and samples passed to me for examination.

As I handled a pad product such as Kotex with instructions about how it did or did not fit the female anatomy and leaked, I felt beads of sweat on my forehead. Next, tampons such as Tampax were handed to me with comments about difficulty of insertion and longitudinal leakage, and I could feel the sweat dribbling down my back. My brain was entering panic mode so I started silently repeating a mantra: ("You are a professional manager, this is just another product.")

When pictures of product leakage failures hit the screen, my anti-perspirant gave up entirely. ("You are a professional manager, this is just another product.")

Descriptions of the Rely two-piece assemblage of an outer cylinder to hold a small bag of super absorbent material and an inner cylinder to serve as a plunger to insert the bag included what they all thought was clever nomenclature. To avoid confusion, the outer cylinder went "in her" and inner cylinder stayed "out her." The outer went in-her and the inner stayed out-her. My vision became blurred and I think the flushing gave way to pallor as all the blood rushed to my brain and my ears started ringing. ("You are a professional manager and this is just another product.")

Struggling to save some little bit of my image, I asked a question about the competitive products that had been rushed to the market to copy Rely. The manager of the Rely department at Albany was one of the top-rated managers in the plant who also happened to be an attractive young woman. Patty looked me right in my dilated eyes and said that using the competition was like "pulling out a bag of rocks!". ("You are a professional manager and this is just another product – don't pass out now!"). I think I was able to slink out of that meeting on my own power, but I am certain that my image was hardly commanding.

Well, this introduction to Rely notwithstanding, by the second visit to the plant, Rely was just another product and I could comfortably deal with handling the product in public and discussing any technical issues. The equipment to produce Rely was very well designed to place a measured amount of super absorbent material on a moving sheet of fine polyester mesh that was cut and shaped into a pouch, sewed shut with a long

string attached, placed in the outer cylinder with the inner plunger, individually wrapped, placed in a retail box of usually 30 tampons, and then packed in a shipping container – all without having been touched by a human hand. The production facility was spotless and was kept to FDA standards as was every part of the supply chain.

The Rely product very successfully dealt with the two main issues women had with handling their menstrual cycle – leakage and comfort. Previous tampons absorbed but expanded along the length of the tampon and not in diameter permitting fluids to leak. The Rely pouch settled comfortably in the vaginal cavity and expanded in all directions to prevent leakage. This soft pouch was comfortable to insert, wear, and remove and could collect menstrual discharge reliably. This brand had one of the highest rates of acceptance of any new P&G product, and word of mouth was becoming about as effective as advertising. The brand slogan very well described the consumer benefit – “Rely. It Even Absorbs the Worry.”

The extraordinary popularity of the brand led to further uncomfortable moments for me. Female friends of my wife and I would eagerly share their consumer feedback with me at cocktail or dinner parties or soccer games. My wife became adept at rescuing me from small groups of women who had product improvement ideas. Hardly normal casual conversation, but sincere ideas such as lubricating the inserting cylinder, or complaints such as the string broke, or just describing how they could play tennis today even though this was a “heavy day.” TMI! Few males object to an intimate conversation with members of the opposite sex, but knowing who was having their period that day was more bizarre than exciting. This must be what OB/Gyn doctors experience their entire career.

## Chapter 2 – Crisis

Most of you know that this success story had a very dark side. In 1978, a doctor in Denver had observed several children severely ill with life-threatening symptoms indicating a broad attack on many body functions. Symptoms included a temperature of 102 degrees or higher, rash including peeling skin, a dramatic drop in blood pressure, vomiting, diarrhea, liver dysfunction, blood abnormalities, and central nervous system issues – a state of total system shock. Although this combination of severe symptoms was not new, the doctor decided to give it a name: “Toxic Shock Syndrome,” TSS. He realized the danger was in treating each symptom and not whatever was attacking the whole body. The basic cause was usually a bacterium, that had entered the body, often through a wound, and the victims could be male or female adults as well as children. Two years later in February, 1980, the Centers for Disease Control, CDC, accepted clinical case definition of TSS for broad use by the United States medical community. These dates are critical to the Rely story – giving a severe condition a name in 1978 and national identification of Toxic Shock Syndrome in early 1980.

These dates bracket the national launch of the Rely brand. This launch was as large as any P&G had done, with extensive use of sampling since the product was so different and so much more effective than the competition. The competitive reaction was also

dramatic since Rely threatened long established products that were the foundation of companies. That led to the rapid introduction of clumsy copies of Rely – remember Patty’s personal description at the Albany Plant. The national launch was August 1978 with 45 million samples sent to consumers and an additional 17 million samples distributed in early 1980. In that time, there were few TV ads for feminine hygiene products, and the infamous blue liquid demonstrations during your football games were in the future - and no internet or social media. Sampling was the best way to reach consumers in a way that gave them a no-cost way to test the product. The sales of the product took off and often strained the capacity of the two P&G plants. Rely really did “Absorb the Worry” for millions of women.

P&G has a long and proud history of detailed study of consumers, products, and the safety of every product. Prior to the launch of Rely, over 1,300 women had tested the product over various lengths of time providing about 730 woman-years of use. This testing involved rather extensive medical examinations as well as detailed reporting including study of the micro-organisms in the vagina. Nothing threatening was discovered even though the microflora of the vagina is difficult to predict and varies widely even with individual women. Net, no unusual patterns were observed with use of Rely. P&G had tested Rely and its ingredients as thoroughly as anyone could require consistent with the company’s reputation for consumer protection. All of this data was provided to the FDA and did not indicate any medical or physical questions different than historic tampon usage – and absolutely no indication of Toxic Shock Syndrome with the lab work, testing, or test market.

In late 1979, a doctor in Wisconsin noted reports of three patients with indications of toxic shock. Subsequent follow-up indicated four more, and he noted that all were young women experiencing menstruation. The attacking organism was identified as *Staphylococcus Aureus*, or simply “staph aureus.” His request for surveillance of patients in Wisconsin in January 1980, was only weeks before the CDC report identifying this combination of symptoms as something named Toxic Shock Syndrome. The alert about TSS and tampons became a nation-wide issue in early 1980, and many cases of women with TSS started to be reported across the country. Due to the extraordinary sampling and marketing of Rely at the same time as the publication of TSS, many of the identified victims remembered Rely as a product they had used. Inside P&G, calls started to come from consumers and the media about the safety of the Rely brand. These calls reached a crescendo in the summer and fall of 1980 as the brand name was connected in the media to this emerging issue. With growing media and political pressure, the CDC initiated a review involving only 52 women. The company shared what information was available, and was actively pursuing every case it could trying to understand what was happening.

Behind these two approaches were basic assumptions that colored the agonizing late summer of 1980. The company was absolutely confident in Rely, and had an impressive data base to verify the safety of the product. The CDC had the media and politicians pressuring them to act swiftly to protect the American consumer. As a result, P&G was diligent in talking to patients, families, and their doctors to get the medical

information required to make an informed decision about the cause. But the CDC was basing much of their position on phone calls sometimes without even the name of the patient or doctor. The company was further irritated that the CDC study only mentioned the Rely brand of tampon in much the same way that a previous generation used Kleenex to describe facial tissues.

Inside P&G, the TSS questions quickly became a genuine crisis. In manufacturing, we were wrestling with fluctuating product demand as the previously surging sales took a dip heading into the fall of 1980. Also, lots of people were digging through plant records looking for any anomaly in testing or results. I made a special trip to both plants to sit down with managers and technicians to ask questions that only a manufacturing person would know to ask. Someone from another function (I'll leave unidentified) even suggested that it would be helpful if I found something that could give the appearance of fixing the problem to buy time. However, the plants had done a great job and there was nothing any of us could find that would indicate the products used were other than exactly the design.

The R&D community became increasingly intransigent in dealing with the CDC and sometimes with others in the company. Their basic reputation was at stake, and no one, I repeat no one, had found any connection between Rely and TSS – except for this apparent surge of very sick women. Some of the calls about someone with TSS turned out to be the flu or even just a cold, but, with the emotions of a life-threatening ailment, there were bound to be mistaken reports. Also, based on sales numbers, competing product was more likely to be the product used by victims. Part of the R&D thinking was that staph aureus is seen in only about 20% of the general population and only on the surface of the body or in nasal passages – rarely in the vagina. This leads to obvious questions about the sexual practices of the women involved which did not enhance the reputation of the company in the public discourse. The battle lines inside the company shifted from time to time with R&D and Legal always on opposite sides. R&D in a non-negotiating position of scientific principle, and Legal in a practical position of the cost of litigation. The Advertising folks were very much trying to find a way to save this wildly successful brand, and produced marketing ideas to defend the product or instruct consumers. The Finance team wisely stuck to providing a list of financial projections. The Sales force was dealing with pressure from retail customers about the product, and some retailers had made the pre-emptive step to remove Rely from their shelves. In manufacturing, we did reduce production while being careful not to send a signal in or out of the company.

One of the instructive insights that I gleaned from this battle was to reinforce what I learned in dealing with unions earlier in my career. You may not like who you are dealing with, and you may not like some decisions that you have to make, but do not let anger cloud your thinking. In the Rely crisis, there was palpable anger in the R&D community toward the Center for Disease Control. They saw CDC making judgements and comments based on lousy science, and saw the CDC as picking on the Rely brand unfairly. In high level discussions, comments like “we can beat them” and “don't let them do this to us” were not uncommon. Of course, as we know now, the CDC was

receiving political pressure including a demand to remove all tampons from the market. It seemed to me at the time that trying to 'beat' a government agency that has the power to shut down your business may not be the wisest course. There may not have been a middle-ground in this crisis at that time, but a frontal assault on this government agency did not seem like the best course of action. In all of this hysteria going into September 1980, there was still a demand for the product with loyal consumers. Retailers who had removed the product were dealing with disappointed and angry customers. The slogan "Absorb the Worry" became ironic for a very worried corporation.

The P&G CEO, Ed Harness, decided he needed an independent assessment of the data to help guide the decision that only he could make. On September 9, 1980, a panel of distinguished physicians, microbiologists, and epidemiologists with no link to P&G was commissioned privately to provide as much guidance as they could about the medical science with Rely and TSS. During the next two weeks, Ed received phone calls directly from CDC increasing the threat of federal action, so it was obvious to him that he could not wait for a full study by his panel of experts. He flew to the Chicago O'Hare Airport and met there with the panel on Sunday, September 21. The report of the panel was a bit ambiguous due to the short amount of time, but was clear enough to Ed. They were definite that the CDC had not used good science in their investigation, and that the Rely brand was unfairly singled out as the culprit. However, it seemed obvious to them that there was something about this class of super-absorbent tampon that was causing toxic shock in a small segment of the user population.

The next day, September 22, 1980, Ed Harness gathered the group of us responsible for various Rely departments in the main conference room on the 11<sup>th</sup> floor of the General Office building. With little preamble, he announced that P&G was going to recall Rely from the market and discontinue the brand. What I remember from his statement was that P&G cannot be in the business of providing a product that, in normal usage, could cause serious illness or death to even a small segment of consumers. You will note that his announcement focused entirely on the consumer risk and not on any other P&G issues. Although the head of R&D already knew the decision, he chose to challenge the decision rather loudly – likely for the benefit of the other R&D people in the room. Ed simply said something like: "We have been over this, and my statement stands with the full agreement of the Board of Directors. I expect everyone in this room to accomplish the immediate removal of Rely from market and destruction of all product as quickly as possible."

By the end of the week, a formal agreement had been signed between P&G and the U.S. Government about the complete recall, but denying any violation of federal law or any product defect – a critical point in later litigation.

As we finished this somber meeting, Tom Laco, Senior Vice President, stayed to make sure basic areas of responsibility were established. Sales had the responsibility to go to the retailers to remove the product from the shelves, and product return from their stores and warehouses. Finance had the task of preparing the financial impact on the

company, and Advertising had to notify the ad agencies. Legal of course, needed to establish a defense team and strategy for litigations to follow. All I had to do was arrange to receive, store, and destroy over 2 million cases of product, scrap equipment valued at about \$185 million, and determine what to do with more than 200 employees.

### Chapter 3 – Holding the Bag

Within the next hour, I had a meeting in my office with appropriate Manufacturing Office staff and with the two plant managers on the phone. We dealt with the immediate issues - what to tell the people who had been making Rely about their future, begin the decommissioning of the equipment, and figure out how to handle the returning product. All of these manufacturing issues were made a bit more personal since my boss, the Manager of Manufacturing, Stona Fitch (later a member the Literary Club), was out of the office and out of communication due to a serious illness. On the good news side, even though Stona would have been a good partner, being on my own made decisions simpler. I did call home to alert my wife, a loyal Rely customer, to get to Kroger right now to pick up as much product as she could – if she wanted it beyond what was in her cabinet. She was too busy that afternoon, and by the time she got to her Kroger store in mid-morning the next day, the shelves were empty. Nationwide, the combination of customers rushing to buy the product, stores removing it from the shelves, and good work by the Sales force managed to stop sales of Rely across the nation the day after the announcement.

A major order of business was to establish a protocol for the return and handling of Rely from the retailers across the country. Manufacturing plants are structured so that the entire facility is like a large funnel pointed at the shipping docks – raw materials enter one end and pass through various processing and assembly steps to the warehouse for shipment. A stream of trucks with returned product trying to enter shipping docks simply plugs the funnel and would cause chaos. So, alternate warehouses were commissioned starting the next day at reasonably central points to receive the mess that we knew would be coming back. Our prediction was accurate as retailers chose this opportunity to empty their back rooms and warehouses of whatever odds and ends of damaged or out dated or simply unwanted stuff that looked like it was or might have been P&G product. Besides about a million cases of Rely, we did receive competitive product as well as other P&G products and some perishables. I think many retailers figured it was penance for P&G for causing them problems. I witnessed some of this mess and the opening of trucks alleged to contain Rely was like opening a Halloween present. Also, after the wave of returned stuff, the Rely in our own warehouses was transferred to outside storage to both get it out of the way, and minimize the chance that some might get shipped back into the retail channels.

The decommissioning of Rely manufacturing equipment valued at about \$185 million was fairly straightforward. The lawyers insisted that we be able to verify that we were out of the Rely business. Electrical connections to the equipment were severed, and key pieces were dismantled with pictures to show the decommissioning. All these assets were written off the books. Also, Legal stipulated that all records of Rely

production and all documents be stored for reference in future litigation. The offices in the Rely departments were immediately transformed into temporary document storage with at least rudimentary file tracking.

As often happens when bad things happen to a brand, the only part of P&G that pays for the problem with their jobs is manufacturing. About 200 technicians and 30 managers were directly associated with Rely production at the two plants. The managers could be relocated to other departments and other plants – although attrition was high in this group over the next year. The plants could not handle the extra technicians and the work force was too young to encourage early retirement. So, over the next month, we did terminate about 200 people – the only P&G folks to lose their jobs due to the Rely crisis. A generous separation allowance was provided, but the local communities of Albany, Georgia, and Cape Girardeau, Missouri, did feel the pinch. There was a ripple effect with the suppliers as well, with some cost to the company in terminating supply contracts.

By the end of the month after the decision to exit the business, the only people that were in that September 22 meeting that were still working on Rely were a couple of lawyers, a finance representative, and me. With the return of Rely from the retail trade and resolution of the equipment and employee issues, attention turned to the 2 million cases of Rely waiting for destruction. Ed Harness made it clear that the direct impact of Rely on the company's books was not to extend beyond the 1980-81 fiscal year. No problem, Ed. All we have to do is figure out how to destroy over 2 billion Rely tampons. My understanding of the corporate need was that simply burying the product in landfills would not provide adequate disposal. People dig up the most improbable stuff from landfills. Shredding the product into fluffy white mountains at landfills would seem to invite even more public attention. Three members of the Manufacturing Office were deputized to spend a majority of their next few months making the disappearance of Rely seem like a bad dream. We did verify with simple testing that the product could be shredded to a fluffy consistency and that the basic cellulosic ingredients posed no threat to the environment.

The team discovered a good location for disposing the shredded material – caves in Kansas. There are extensive limestone deposits in Kansas and Missouri that have been mined – often leaving large subterranean chambers. The limestone caves have been used for many things including temperature controlled warehousing. Some of the network of caves are virtual bottomless pits, and have been used as dumps for at least a century. A contract was established with one of the owners and a caravan of trucks carrying Rely was in motion to Kansas. Large shredders and teams of temporary workers were obtained and a mountain of shredded Rely started to go underground. The owner of the cave suggested that we were wasting our time shredding since the hole was so deep we could just toss in the product – case and all. I rejected the offer since I did not want to hear that some spelunker 20 years later had discovered Rely and was selling it at flea markets. To my surprise, and relief, the operation of feeding the product into shredders that blew a stream of white stuff into a hole in the ground did not



attract any media attention – although we did have an “official comment” ready just in case.

The cave disposal was OK, but slow and hampered by weather and various equipment problems like the trucks getting stuck in mud or shredder breakdowns. Our little team was doing a great job, but none of us felt good about the progress. Fortunately, one of the team came across an alternate method. The City of Buffalo, New York, had two boilers designed to burn garbage as fuel, and had complained about a lack of combustible waste and the high cost of using oil or gas. Being bright P&Gers, we quickly hired an outside lab to verify what happens to shredded Rely when burned. At last a piece of good news in this dreadful process of “make Rely go away.” The combustion products were consistent with the cellulose composition – CO<sub>2</sub> and water, and the resultant combustion was BTU dense - shredded Rely burned with abandon. The good news continued with a quick visit to Buffalo in the winter. The city was ecstatic with this new fuel source, already had shredders installed under cover for their waste material, and would pay for the BTU value. Rely disposal became a money-making operation. Well, not a profitable one, but it did feel good to get some money coming back. The finance department had some trouble figuring out how to account for a revenue stream on a discontinued product - but that was their problem. Trucks destined for Kansas turned to up-state New York, and a majority of the 2 million cases or Rely, over 2 billion tampons, went to keep the people of Buffalo warm that winter.

The physical demise of Rely - shutting down the operations, terminating 200 people, and disposing of Rely mountain, was the kind of job that would never bring accolades – only heaps of crap if something bad happened in the process. Sort of like bomb disposal. If nothing happens, people ask “what have you been doing lately.” If the bomb goes off, they simply say to themselves “it wasn’t me.”

To this day, Rely has never been found to be the direct cause of TSS. There are many opinions and theories, but the materials, product form, and normal usage have continued to be found blameless. However, the incidence of TSS in women has dropped dramatically with the withdrawal of this superabsorbent type of product along with increased caution about how to use of tampons. In my opinion, it is likely that the problem was created with usage beyond the normal duration in young women who had limited immunity to staph aureus bacteria. The high level of absorbency combined with infrequent changing of the product may have caused irritation or abrasion of tender tissues opening a pathway for infection. There are several other theories, but nothing definitive even 38 years later.

As an epilog, exiting the Rely business was a blip on P&G’s pattern of success. The stock dipped for several months but returned to previous growth by the end of the fiscal year. Three years after the Rely brand was withdrawn, P&G introduced a menstrual pad product, Always, that used layering technology developed for the Pampers brand using the extensive knowledge of the needs of women. Always (Whisper outside of the US) is now a billion-dollar brand with P&G further invested by buying the Tambrands company with Tampax tampons - now a half-billion-dollar brand. So, although the Rely

brand had a disastrous product history, the company has been able to move ahead actually building on the crisis.

Consider how this crisis might play out today with the impact of social media and the internet accelerating the spread of news – real and fake. Although the demise of Rely seemed precipitous in 1980, those events in 2018 might take only a few days instead of a few months. The traditional national media reporting has become simply an amplifier for the chaos of Twitter reporting. Handling any tsunami of accusations, demands, and threats is a critical question for every corporation, university, hospital, and individual citizen. The Rely story offers an important lesson with the decision process modeled by Ed Harness – get the facts and be willing to act on your principles. Clearly that means knowing and living your principles before the crisis starts. The real way to Absorb the Worry in a crisis – then or now – is to hold ethical behavior above corporate or personal gain.