

Commencement speech
Georgetown University McDonough School of Business
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Barbara J. Krumsiek, President & CEO, Calvert Group
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Reinventing The Corporation From The Inside Out

Thank you President DeGioia, Dean Puto, and Professor Bies. Greetings to faculty, staff and distinguished guests.

Despite the gray skies, it is a glorious day in Washington D.C. and it is wonderful to be with you here at Georgetown.

It is an honor to be addressing the graduates of the McDonough School of Business this afternoon, as well as family and friends of the graduates, who deserve a great deal of credit and kudos as well.

Your years at Georgetown will be memorable ones, I am sure, for many reasons unique to you as an individual. But you also share a collective memory as the class of 2002 of having been at this vantage point, on the Potomac River across from the Pentagon, in Washington D.C., on September 11, 2001. Your families and friends share a collective memory of concern for your well being on that day.

Much will be said about the tragic events of September 11th and its aftermath. Our hearts are broken at the losses and our spirits lifted by the heroism of so many.

These past eight months have, importantly, been a time of action for our nation. Yet this has also been a time of reflection – for us as individuals, and as a society.

I have been reflecting on the interconnectedness, the fabric of global society. It is so much more apparent in our post 9/11 world. This heightened realization of our global interconnectedness also illuminates the extraordinary fragility of current systems, and the real risks such fragility presents to global society.

I can imagine that for the rest of your lives the memories of your years at Georgetown will remain linked with the memories of this tragedy. I hope, at the same time, that you will be able to maintain an awareness of this global interconnectedness, recognizing the impact your personal and business decisions can and will have on our global society.

Yes, your personal and business decisions can, and will, have an impact on our society. The whole notion of a global business strategy operating solely on the level of financial analysis and financial impacts, ignoring social and cultural impacts, requires re-thinking.

In an entirely different context, there is another memorable set of events that began to unfold during your years at Georgetown -- the Enron matter.

Enron is calling into question the very business practices that only a few years ago seemed to be the “model” for an increasingly globalized corporate sector.

It seems to me that warning bells should go off in the future when some corporate leader professes a vision and strategy that cannot be easily understood. The warning bells should become alarms when this corporate leader dismisses non-believers with the phrase “you just don’t get it”.

Now, I hear that phrase from my 13-year-old daughter all the time – “mom, you just don’t get it” – particularly when I have the nerve to comment on her taste in clothing. But I don’t expect to be told that by a fortune 100 CEO, and neither should you.

Something has gone very wrong in our corporate model. It is time for a new corporate model to emerge.

So I would like to direct my remarks to you this afternoon as individuals...particularly to the graduates, each of you a member of the first post-Enron generation of business school graduates.

I would like to challenge you every day to work towards a reinvention of the corporation.

And I would like to suggest that the way to go about it is as individuals, and whenever possible, as leaders.

I have spent my entire professional life in financial services -- all 28 years of it. When I look back on my own career, I see clearly that there has been a transformation in the business world. Twenty-eight years ago, the opportunities to build a career that allowed an individual to bring together personal passions and professional goals were rare – if not non-existent. The prevailing wisdom was that your work belonged in one compartment and the rest of your life in another.

Today, however, that is changing – and I am especially aware of the change since joining Calvert. I feel that I have the opportunity to lead a more integrated life, to live my real passions every day, through my work. I have had a long standing passion for advancing women’s leadership in society– and here we are at Calvert, looking at board diversity and senior management representation of women and minorities as criteria in judging the companies we invest in. This is something I can feel good about, even proud of, every working day.

The good news is that you won’t have to wait 28 years to discover similar opportunities. As the business world continues its transformation, these opportunities are available to you right now. I urge you to take hold of them and run with them.

Every university has a mission statement that sounds good. But Georgetown's mission statement you can actually take to heart.

“Georgetown educates women and men to be reflective lifelong learners, to be responsible and active participants in civic life, and to live generously in service to others.”

This mission statement is not inconsistent with ambition and success in business and corporate life.

My own company, Calvert, is dedicated to proving that achieving financial success and being responsible for the impacts of our business in the community, on society, and on the lives of our associates, are compatible ideals. And we can work concurrently to achieve all of them. There's a lot less of the “either/or” at Calvert. We challenge ourselves to satisfy multiple objectives at the same time.

There are many ways that you, individually and collectively as a generation, will shape the institutions of business in the coming decades. Again, I would like to suggest that one of them is nothing less than, literally, to re-invent the corporation, and do it from the inside out, which means no matter where you begin your career, who you are matters.

Now this might strike you as a tall order. After all, you are just leaving business school, in a time of great economic and financial market uncertainty, and it sounds like I am asking you to save the corporate world. Well, yes I am.

We need you to help us adopt a new business approach that moves us towards managing concurrently to objectives that are financial, social, and ethical.

It is a monumental challenge, and one that will fall not just to your generation, but also to many generations that will follow. So let's get started.

For us, as business leaders, one very important part of the process of reinventing the corporate model will be to ensure that we provide the best opportunities for people to bring together personal obligations, professional pursuits, and the deeper beliefs of ethics and purpose in living.

So how can you participate in this whole process of reinventing the corporate model – now and in the future?

I would like to share with you five personal career lessons. These are lessons that I have drawn from my own life and career – my academic training in mathematics, my 23 years at Alliance Capital, my 5 years as CEO of Calvert, not to mention my 15 year marriage to my husband, Bart, and my relationship with my two daughters.

These lessons have guided and sustained me in my career, and, I like to think, have helped me to become a better CEO. Being a woman CEO is still a rarity, particularly in

the investment business. But with all our hard work, barriers will continue to fall for those historically overlooked in the leadership structures.

I believe these five lessons can be valuable in meeting the challenge of re-inventing the corporation. They are not the whole answer, but steps along the path. I look forward to having you join me in the search for new approaches, new policies, and new structures that are good for one and good for all.

So here are my five lessons:

First: compassion and competition can co-exist if you visualize your career as an obstacle course and not as a ladder.

Many can succeed without having to knock equally many off the ladder. I don't mean to suggest that you can be naive in assessing the business landscape. Be guided by your gut as well as your intellect and use "positive politics" whenever necessary.

But the old hierarchical models of business are failing, and there is real potential for "win-win" solutions if you look with panoramic vision instead of just up and down the classic career ladder.

Personally, I feel a significant asset in my own career has been my collaborative strengths working with peers, including those whom others might perceive as competition for the next promotion.

Second: ethics do matter.

In the wake of the Enron debacle, ethics has a shot at becoming trendy in business circles. Whether it remains more than a passing trend is going to be up to you.

You have laid the groundwork for your professional future in a Georgetown environment rich in self-exploration, service to others, and philosophical pursuits. We are looking to you to bring to the corporate world in particular the art of integrating ethical principles into business cultures in ways that are respectful of our differences, not ideological in nature.

In the post-Enron era, thinking beyond today's stock price to the long-term implications of corporate practice is just common sense and good risk management. It will no longer be optional for corporate leaders to pay attention to the environmental and social impacts of their businesses.

Let's linger on Enron for a moment longer. It is as fascinating as it is repelling at the same time. Have you noticed how the focus up to this point has been on the failure of the auditors...the failure of the regulators...the failure of the board of directors... to apply sound ethical principles in the operation of the company? I sum this up as the "failure of the external."

But how many more rules and regulations can we write to stop people from doing the wrong thing? Maybe we can't write enough rules.

I believe we are really looking at a failure from within – the failure of the “internal.” Hundreds if not thousands of daily decisions are made by leaders and individuals in corporations. No set of conventional business rules or laws can guide these decisions. Each of these decisions can and must be made considering the impact not only on the individual and his or her own self-interest, but considering the impact on virtually everything – from corporate stakeholders to society at large.

Looking at Enron as the failure of an “inner” sense has not hit the headlines, but may be the more powerful failure in the long run.

The third lesson is: yes, you can have it all.

You really can have it all in business. The wonderful secret I have discovered in leading Calvert these past five years is that it is indeed possible to strive for business success in the classic sense while at the same time striving to achieve a workplace that enables personal development and a sense of connection for each Calvert associate.

And you can have it all in life, too.

It never fails to infuriate me when writers and “experts” say women can't have it all, or they have to be superwomen to have it all. (By the way, do you know that I have a wonder woman suit on under these gowns?) Whose definition of “having it all” are we using, anyway? – my 10 year old's definition of having it all means eating a Krispy Kreme donut for dinner - and playing computer games instead of doing her homework.

Create your own definition.

Five years ago I heard a woman executive say “I declare my life balanced,” and I think that is great advice – declare your life balanced. I have.

There are ways in which corporate norms – which we are working to change – make it difficult, at times painfully difficult, to achieve the balance you want in your life, as you define it for yourself. It is especially difficult when our corporate model essentially assumes continuous employment. “Breaks in service” of 3 months are considered acceptable. But take a break of five years and it is literally impossible to re-enter a professional career at or above the level you left it. Personally, I never took a break longer than three months, in my 28 years in business.

Perhaps the model will change. For the time being, though, entrepreneurship and innovative small business vitality remain essential avenues for re-entry for those whose business ambitions re-surface after lengthy breaks from the professional world.

Fourth lesson... focus not just on what you do, but on how what you do impacts others

One of the first questions I'm asked when I meet new people is "what do you do?" That's understandable enough, but it is interesting to note just how easily our identity can be formed – in the eyes of others as well as in our own eyes – by our job title and perhaps how much money we make.

I suggest taking a broader view of things.

By all means, strive for the career of your dreams. But instead of having a "career plan" and at every step focusing on your title and on "what" do you do?, look at "how" you do what you do.

Every day, ask yourself: "How have I added value to the world? How have I added value to my company? How have I added value to my community? And how have I added value to my loved ones and myself?"

I have found that asking myself these questions has given me a clear sense of my own direction and has helped me to build a life that is truly rewarding.

So whether you are just starting out on your career or you are well on your way, I urge you to focus on the "how" and to continue to follow your passion and your intellect. That is the way to build a career that will challenge you on both fronts.

If asking these questions, and answering them truthfully, becomes the norm instead of the exception for corporate leaders, the Enron's of the world simply can't exist.

Finally, the fifth lesson: be brave.

Everything that I have talked about here – reinventing the corporate model, ensuring that "business as usual" in the future means incorporating ethics – requires uncommon vision and commitment.

To sustain that vision and commitment requires bravery.

What does "bravery" mean? In the past, I think being brave in business has often meant pursuing individual success, regardless of the cost to our personal well being and values, and even the cost to the personal commitments and relationships in our lives.

I think it is time for us – for you – to reinvent bravery. By all means, be committed to your work. But be committed too more than your work.

Have the courage to fully embrace your values and your deepest passions, and bring them to work with you every morning and take them home with you every night. Live your values. That is what I mean by bravery.

Being brave means realizing you don't have to separate the professional and the personal. It means realizing you can have it all – you can have a life in which your actions are in harmony with your values.

Indeed, being brave means being willing to seize the opportunity to change the world.

These are very exciting times. And in the years to come, each of you will have the opportunity to participate in and to contribute to this transformation as well as to benefit from it.

I believe these five lessons can be valuable to you in meeting your personal challenge to re-invent the corporation. These lessons are not the whole answer but steps along the path. I look forward to having you join me in the search for new approaches, new policies, and new structures that are good for one and good for all.

Congratulations, and to all of you, good luck
Thank you.

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