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## Graziadio School of Business and Management

### Dean's Executive Leadership Series - 2006-2007

### Transcript of Interview with Patricia Sellers, Editor-at-Large at *Fortune Magazine* – Part 2

**About DELS:** The Dean's Executive Leadership Series at the [Graziadio School of Business and Management](#) features in-depth audio or video interviews with today's top business practitioners and thought leaders. [Listen](#) or [subscribe](#) to the podcast to hear their views and insight on the current challenges and opportunities facing the business community.

#### Start ####

**Announcer:** The Graziadio School of Business and Management at Pepperdine University proudly presents the Dean's Executive Leadership Series. This podcast invites top business practitioners and thought leaders to share their view on the real world of business.

**Rick Gibson:** Thank you and welcome to our second podcast in the series with Patricia Sellers. I'm here with Linda Livingstone, who is the dean of Pepperdine's Graziadio School of Business and Management. Thanks for coming back and joining us today, Linda.

**Linda Livingstone:** It's my pleasure to be here again, Rick.

**Rick Gibson:** So our first interview with Patty was very interesting. Tell us what we can look forward to in this second half.

**Linda Livingstone:** I think that what you'll see in the second half is Patty building on the really interesting things she shared about women in leadership and organizations and, in particular, the interview with Patty was the day after Carly Fiorina's book had come out. So Patty has actually met Carly, obviously, on a number of occasions and interviewed her and had read parts of her book. So she has some really interesting insights to share based on her personal experience with Carly as well as the parts of the book that she had read.

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**Rick Gibson:** I'm sure it's fascinating. Let's dive right in to the second half of the interview between Linda Livingstone and Patricia Sellers of *Fortune* magazine.

**Linda Livingstone:** Obviously, this week there's been lots about Carly Fiorina because of her book coming out and then that sort of parallels with your women's summit as well as your publication. She clearly was on that list when she was at HP. It's interesting, because the thing I was thinking about, we were talking about PepsiCo and Indra Nooyi being a strategist and the man that didn't get the job was an operations person. A lot of what you hear about Mark Hurd is that he's a great operations guy. And that's why he's come in and been able to be successful.

Talk a little bit about kind of your thinking on PepsiCo and why that worked for Indra and then now you look at HP and what's going on there and Mark Hurd, being sort of framed as more of an operations person and how that plays out, versus kind of Carly's style in running that company.

**Patricia Sellers:** You know, I find it fascinating with a lot of companies what you get is a strategist, a CEO, and then an operations person as CEO, and then a strategist and then an operations person. I mean, look at PepsiCo. Roger Enrico was the CEO. He actually happened to be a really good strategist and an operations guy, but more known as a strategist. Who becomes CEO after him? Steve Reinemund, a really intense operations guy. Now they move to Indra Nooyi.

Carly is a strategist. Her downfall was execution. The number one reason CEOs fail--execution. She over promised and under delivered and she didn't have the executional strength to deliver. So they bring in a really hardcore execution guy. I think, I don't know Mark Hurd well, but I have talked with him and I think he's really impressive. And I actually think he's a guy who sees the big picture and the details really well. So they have a very good CEO in there right now.

But Carly, I think, we put Carly at number one on our list, our very first list in 1998 when she was completely unknown. And I picked up her book last night, *Tough Choices*, and she talks about this. She talks about me coming to interview her in August of 1998. She was number one on our list in 1998 when she was at Lucent, ran the biggest division of Lucent, became CEO of Hewlett-Packard in July the next year, July of 1999. She stayed on our list at number one until 2003.

But Carly was an amazing executive in so many ways. I think her flaws are twofold. She over promised and under delivered because she didn't have the executional strength, the operations strength under her

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or didn't use it right, didn't employ it right. And I think that she is almost too charismatic and too confident. I mean, not many CEOs could have argued for that Compaq acquisition a few years ago as successfully as she did. But she's a great salesperson. I think there was a lot of impression that she was too fond of being in the media spotlight and then that maybe took some of her attention away from what she needed to be doing with the company as well.

**Linda Livingstone:** Once the dot com bust happened and the sort of age of the lower ego, more grounded, more pragmatic CEO in the mold of Jeff Immelt at GE and Jim McNerney now at Boeing and A.G. Lafley at Proctor & Gamble. Once that era sort of ushered in, Carly was out of style. Obviously, there's lots more going on at HP right now with all the blowup in their boardroom and everything. And certainly Patricia Dunn, another high profile woman, has been involved in that. Given all that turmoil at HP over Carly's situation, over Patricia Dunn's situation, do you think there's any long term implications for how that impacts women uniquely, or is that just generally going to have some implications for the business community, independent of the fact that they were both women at this very high profile company in very visible kinds of controversial situations?

**Patricia Sellers:** It's interesting. Until Martha Stewart got in trouble or actually, she got in trouble so long ago, amidst all of these other corporate scandals. Martha was the only woman who was sort of in really hot water. And then Carly falls. The good thing for Carly and the good thing for sort of powerful women s that Carly has not been implicated in any of this. She is clean and she is looking pretty good right now. Her book's coming out. Her book is going to be read by a lot of people. She's looking good.

Patty Dunn, I know her pretty well. I always actually thought she was a lovely person. If you saw her on *60 Minutes* the other night with Leslie Stahl, she came across well. She's fighting stage four ovarian cancer. I think that she could gain a lot of sympathy. So I don't know that we can make any conclusions about whether she is going to be branded a kind of evil woman in the minds of corporate watchers. The general counsel of HP is also a woman, Ann Baskins. And she pleaded the fifth and she resigned. So she's been kind of out, quietly in the background. But it is kind of amazing and disturbing that this is all women in the HP spotlight.

**Linda Livingstone:** I believe one of the other things in one place in the most recent publication you talked about is the fact that oftentimes women seek power because they want to impact the world and make a difference in the world. At Pepperdine, our mission is to prepare students for lives of purpose, service, and leadership, because we want our students to go out and make a difference. How do you think that plays, given some of these recent controversial issues that have happened with women in those

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kind of powerful roles and the sense that we sometimes think maybe that women have this sort of higher purpose sometimes in what they're doing? How does that mesh or what is your experience as you've been out talking to people? What's the motivation for people in doing this? Is it different for women than for men?

**Patricia Sellers:** In doing what?

**Linda Livingstone:** In how they would use their power in these kinds of positions and why they're interested in being in powerful positions like this?

**Patricia Sellers:** Ever since we've been doing this "Most Powerful Women List," since 1998, women I've interviewed have been so uncomfortable with this word—power. They're actually getting a lot more comfortable. Women I talked to who were not comfortable with power a few years ago are now saying they are comfortable with power. Women tend to think about power as influence. I always say that they tend to think about power, we tend to think about power horizontally rather than vertically. They think about climbing the ladder, getting to the next rung, getting the higher position isn't as important as having an influence more broadly, more horizontally. As companies become more socially responsible, I think they'll do a better job of holding onto women. If GE is just interested in making its numbers every quarter, it's going to be a turnoff to a lot of women and a lot of men. If GE is interested in cleaning up the environment and making money by doing that, that's going to be really appealing. All sorts of surveys show that women are just more—that means more to women. I do think that sort of the noble cause, the noble purpose is a turn-on. And it's a turn-on to young people, young men and women. PepsiCo happens to be a company that has always talked about noble causes. Roger Enrico, three CEOs ago, was the big preacher about that. It's helped PepsiCo be one of the best companies in the world for attracting and developing talent and developing future CEOs. I do think, though, that the leaky pipeline for women will exist forever. There's never going to be parity at the top. It's not because of the glass ceiling. At a certain point, enough women will be on boards that there's not going to be as much of a reason to say there's a glass ceiling. But the simple fact is that women think about power differently. More and more women are like Meg Whitman, the CEO of eBay who says at age 50, "This is my last CEO job. I don't want to do this." Meg's going to be in the eBay job longer than she wants to be, because eBay is struggling right now. Meg had intentions of leaving eBay in the next year or two. She's probably going to be there for longer. But when she does leave, she wants to do something in education or philanthropy. A lot of women feel that way. More and more men actually feel that way, too. A lot of it has to do with the corporate scandals. A lot of it has to do with CEOs not really being respected as much as they used to.

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**Linda Livingstone:** I think there was a point in history where business leaders were the thought leaders in the country and the ones that you listened to. You don't see that as much. Probably in part because the business world has become so complicated and so all encompassing that you just really can't focus on too many things at one time.

**Patricia Sellers:** Right.

**Linda Livingstone:** You can't be successful.

**Patricia Sellers:** It's irresponsible to your company.

**Linda Livingstone:** You talk about there's going to always sort of be this women coming in and out of the workforce and so there is a lot of off-ramping of women. We've actually seen, I think in a way, women's participation in the workforce decline somewhat over the years, even though it had gotten up to kind of a high. We actually, and I think I've mentioned this to you before, have started a morning MBA program. It's a part-time MBA program.

Originally, the thought process was for women who wanted to on-ramp back after they'd stepped out of the workforce, had children. We know there's other populations that are very interested in that as well. What can business schools and businesses do to more effectively help women that want to have this different career path without thinking you have to start and just go straight through and never take a break to do something else, whether that's family related or community related or helping with education or charities? What can we do better to make that an easier process?

**Patricia Sellers:** Well, that's a really interesting question. I would think that one way to start would be to have some of these people who have done it in and talk in your classes about it. Students that graduate from here will go into corporations and will sort of espouse that view. Brenda Barnes, the current CEO of Sara Lee, was in the late 1990s, the highest-ranking woman in the package goods industry. She was head of PepsiCo in North America which, at the time, included the bottling business. So it was a like \$16 billion business. She quit. She moved back to Illinois with her husband. Her husband had quit PepsiCo, too. They have three children. Brenda did it the most strategic and smart way that anybody could. She joined a bunch of boards in different industries with all intentions of going back someday, but not knowing what industry she wanted to go into. So she joined the *New York Times* board and the Avon board and the Staples board. She was on the Starwood board for a while. She was on George Lucas's film board

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and the Sears board. She ended up coming into Sara Lee a couple of years ago as the number two, knowing that she was going to become CEO.

Irene Rosenfeld, our new number five on the list, left Kraft three years ago and took a year off. Everybody told her, "It's stupid." Headhunters told her, "Don't do it." And she did it. And Jim Kilts, the former CEO of Gillette, really respected sort of corporate former CEOs. He told her, "When you go back, don't go back for the position. Go back to a great company." So she took a job as head of Frito Lay, part of PepsiCo. When Kraft needed a new CEO they called her. She got great experience at PepsiCo. So you can drop out, but you've got to do it strategically.

**Linda Livingstone:** Stay in the game while you're out in some way.

**Patricia Sellers:** You have to stay in the game. And you can take a year off, as Irene Rosenfeld did. A legitimate year off. She didn't join a bunch of boards. But Brenda Barnes took like five years off, six years off.

**Linda Livingstone:** Yes, she was out quite a while.

**Patricia Sellers:** But she was working really hard on boards. She's told me, she said, "I view my life in chapters." She spent that chapter in a really rich way. A lot of women view their lives in chapters. So what can business schools and businesses do? They can sort of do whatever it takes to understand that concept, which is different, but absolutely valid.

**Linda Livingstone:** You were talking about those women being on boards and that was part of how they kind of stayed on top of the game while they were transitioning. What do women need to do to be better prepared to be on boards? That's clearly one of the areas we are beginning to see women filter in to CEO positions, but they're still not represented as well on boards, either. That's certainly going to have a huge impact on whether they're represented in the CEO seats in the long run. What are the women who have that interest that are moving up in companies, what are things they can do to better prepare themselves for board opportunities when they arise?

**Patricia Sellers:** Join not for profit boards, which are more and more developing the same sort of corporate governance rules as public company boards. You can sort of learn the ropes that way. Get in front of headhunters. Call headhunters who are the big firms, Heidrick & Struggles, Spencer Stuart,

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Korn/Ferry, Russell Reynolds. They all have board experts. Find out who those people are. It's really easy. You go to their websites and call them, email them. A number of women I know who are on some terrific boards have done it that way.

**Linda Livingstone:** You really have to be very proactive and make yourself visible out there to those people that are making those kinds of decisions.

**Patricia Sellers:** Absolutely, yes.

**Linda Livingstone:** To conclude, I had one last question I wanted to ask you. You've obviously been interviewing very fascinating women for many years as part of the *Fortune* most powerful women's publication. When you think back on there, are there any stories that didn't make the magazine that were just fascinating to you or interesting or that tell you something insightful about any of the women that would be interesting anecdotes to share?

**Patricia Sellers:** You know, the behind the scenes are really interesting and entertaining. I'm trying to think. I pursued Martha Stewart for two years to get her to talk. We put her on the cover of the most powerful women issue last year and I ended up doing the only interviews she's ever done about her experiences in jail. I wanted to get the first ones. I didn't think I'd get the only ones. But she has put that so behind her. Oh my god. I was writing to her in jail every two weeks. I was sending her magazines. I was begging to come see her in prison. She wouldn't let me. But I saw her a number of times right after she got out. The Carly Fiorina situation is just fascinating to me. I was in Santa Barbara last night and I picked up her book at a Barnes and Noble. I walked into Borders and it wasn't there. But Barnes and Noble had it. She writes in there about this experience of being number one on this most powerful women list, our first list. She writes about it with a lot of emotion. Her mother was dying at the time. She says in the book that her mother couldn't stop hugging the magazine.

**Linda Livingstone:** Interesting.

**Patricia Sellers:** And I just—it's so incredible to me to think that—I don't always realize what kind of an effect the stories we write have on people in a very personal way. It meant a lot to me, especially reading this from Carly, because she always had very mixed emotions. She talks about this in the book. She doesn't think there should be a most powerful women list. She thinks it segregates women and she looks forward to the day when there is no list and I do too.

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**Linda Livingstone:** They're on the same list as the men are on.

**Patricia Sellers:** Yes.

**Linda Livingstone:** Do you consider yourself a powerful woman, given the role you play at *Fortune* and the influence you have in the media?

**Patricia Sellers:** Yes, I do. I'm very comfortable with that. I feel that this list that we've created, this broad franchise that we've created, which now includes this most powerful women's summit which you were at when--

**Linda Livingstone:** It's a wonderful experience.

**Patricia Sellers:** We love having you there. We use that as a platform. We intentionally call that the most powerful women's summit. We call the package in the magazine the most powerful women in business. But when we gather these women together, we really see it as a platform to help them connect with each other and learn about things outside of their silos. So we have a lot of philanthropic stuff, education stuff. We had this Reverend Schori, who's the new head of the Episcopal Church. This is fascinating stuff. We started an internship program this year bringing young women from around the world to mentor with some of our most prominent women. Boy, do I feel powerful when I see how thrilled they are to come to this country for a month and work with women like Andrea Jung at Avon and Ann Mulcahy, the CEO of Xerox, and Ann Moore, the CEO of Time, Inc. Boy, that to me is really powerful.

**Linda Livingstone:** Hearing those stories was so moving. It really showed how you can have a huge impact, even beyond the work that you're doing in your companies here and in your organization. That's a wonderful program that you guys are doing.

**Patricia Sellers:** Yes, thank you. We're going to build up, yes.

**Linda Livingstone:** Thank you.

**Patricia Sellers:** You're welcome.

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**Linda Livingstone:** It's been wonderful. I enjoyed it. I learned a lot along the way. Thanks for joining us and being a part of it. We really appreciate it.

**Patricia Sellers:** Terrific. I enjoyed it. Thank you, Linda.

**Linda Livingstone:** Great.

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**Rick Gibson:** That concludes Linda's interview with Patricia Sellers. Any final thoughts?

**Linda Livingstone:** I hope everyone enjoyed that discussion with Patty. I thought it was extremely interesting and insightful and I certainly hope that folks will come back and hear some of the speakers that we have in the future.

**Rick Gibson:** Yes, tell me about that. Who is next in the lineup for the Dean's Executive Leadership Series?

**Linda Livingstone:** Coming January 9<sup>th</sup> we have Brian Frons. Brian is the head of daytime TV at ABC-Disney. From what I understand, he has some really interesting stories to tell, so I think it will be a real treat for anyone that attends.

**Rick Gibson:** Very good. Hopefully, he may even be able to sit down with you for an interview as well. We'll see. Thank you all for joining us today. Please visit the Graziadio school website for additional information at [bschool.pepperdine.edu](http://bschool.pepperdine.edu). We'd also like to invite you to check out iTunes or the Pepperdine website for future podcasts. Until next time, thanks for joining us.

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