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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 1

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 of the real world of business.

Rick Gibson: Well, thank you for joining us for our very first podcast of the 2006-2007 academic year. I'm your host, Rick Gibson and I'm joined today by Dr. Linda Livingstone, who's the Dean of Pepperdine Graziadio School of Business and Management. Thank you for spending some time with us today.

Linda Livingstone: Well, thank you, Rick. It's my pleasure to be here.

Rick Gibson: Let's dive right in. Tell me about the Dean's Executive Leadership Series.

Linda Livingstone: Well, Rick, we started the Dean's Executive Leadership Series about three years ago and the intent was to bring in thought leaders in business, authors, and high levels successful business men and women to expose our students, our alumni in the business communities to some of the best and brightest that are out there and it's just been a tremendous success for us.

Rick Gibson: It sounds like it. Tell me who are some of the people that you've been able to bring to campus?

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Linda Livingstone: Last year we had a really great line up and we included Ted Waitt, the founder of Gateway Computer and then Anne Sweeney, who is the President of ABC-Disney Television, along with several others. It was a really tremendous year, a lot of diversity in the people that came and spoke.

Rick Gibson: I don't know who it was. If it was last year or the year before but I sat in on a session with Dennis Bakke. Was that last year or was that...

Linda Livingstone: He was actually the last speaker of our first year of this series and he had just helped publish *Joy at Work* and he's a former CEO as well and so it brought a really wonderful and unique prospective to thinking about what we do at work and so that was a great way to kick off the series with him that first year.

Rick Gibson: In this year's featured speaker line up you had some pretty heavy hitters as well. For our first podcast you spent some time with Patricia Sellers, editor-at-large at *Fortune Magazine*. I understand that you know Patty.

Linda Livingstone: Yes. I've gotten to know Patty over the last two or three years through the *Fortune's* Most Powerful Women Summit and then she's very involved in the edition of *Fortune* that features the most powerful women. Through that we invited her to come to campus and she agreed to do a one-on-one interview the afternoon prior to the executive leadership series. We had a really interesting conversation.

Rick Gibson: Well, very good. Let's listen then to part one of Dean Livingstone's one-on-one conversation with Patricia Sellers.

Linda Livingstone: I'm Linda Livingstone, Dean of the Graziadio School and I'd like to welcome you to this interview today. We're so thrilled to have Patty Sellers, editor at large of *Fortune Magazine* who has been very involved in writing much of the *Fortune Most Powerful Women Magazine* that comes out yearly. It came out for the ninth time recently. We're pleased to have Patty with us and I appreciate you joining us for this interview.

Patricia Sellers: Thanks Linda.

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Linda Livingstone: Of course, this week we had the *Fortune Most Powerful Women Edition* come out and one of the interesting things about it I think you tabbed is “The Year of The Powerful Woman CEO” because the top seven individuals on the list were all CEOs. So, what do you think that tells us about kind of a pipeline for women moving up into high levels in the organization and how you’ve seen that change over the years that you’ve been doing this particular issue?

Patricia Sellers: Well, it’s still only about 5% of the *Fortune 500* companies that have female CEOs but what the big difference is this year is that really big companies have gotten females CEOs all in the past few months, all surprises, Indra Nooyi at PepsiCo, who became CEO in October 1st, our new number one. Irene Rosenfeld of Kraft Foods, previous CEO, was ousted. She had been at Kraft her entire career, left and came back. Pat Woertz at ADM. The highest ranking woman in the oil industry and she went to Archer Daniels Midland which is becoming the ethanol, the alternative energy company. So, they were all kind of surprised choices and may I think what we’re seeing is kind of the legitimacy of the female CEO in full acceptance among these very big company Boards which is a great thing.

Linda Livingstone: Yes, it’s great. We hope we continue to see that kind of progress. So, you say it was surprising. What do you think it was about these women that led Boards to be willing to put them into that position because we hadn’t see that too much in the years past?

Patricia Sellers: These three women have one thing in common, they’re all great strategist. Indra Nooyi at PepsiCo has been doing strategy ever since she got out of business school. She’s extremely precocious and vicious and she graduated from college in India at 18. She graduated from business school in India at 20. She came over to this country to go to Yale and she was in strategy her entire career. Pat Woertz’s claim to fame within the oil industry was that she was a great strategist at Chevron. Irene Rosenfeld is just sort of a math whiz and a real numbers person and a strategy kind of person and a very thoughtful marketer. So, companies today because the world is so complicated, they need CEOs who understand strategy and they need visionaries.

Linda Livingstone: One of the things when you were talking about Indra Nooyi you talked she talked a lot about reinvention and how you have to continually reinvent yourself, reinvent your company. Talk a little about that in the discussions you had with her and expand a bit more on what that means and what kinds of trades it takes in a person to really be able to do that continuously for your company and in your own career.

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Patricia Sellers: Well PepsiCo has always had belief that we have to change all the time even when things are good and I think much of that comes from being the number two company. They never rest on their laurels, they never get comfortable unlike Coca-Cola which wanted to—whose great mishap, whose great fall turned out to be holding onto a business model too long, PepsiCo took the opposite approach.

Indra has said to me the minute a business model is out there it becomes extinct because everybody knows about it, so you've got to constantly reinvent. And it's one of the reasons—Listen Coca-Cola has sort of changed its stripes and believes in reinvention but one of the reasons that—I was about to say that Indra wouldn't have gotten the job at Coca-Cola. Maybe I'm wrong actually but Indra is the perfect CEO for PepsiCo because this is sort of this philosophy is in the company's lifeblood. Her competitor who was expected to get the job, a guy named Mike White, of all things, talk about a sort of generic American male name, he was not, not a visionary but primarily known as a terrific operations guy and that just didn't cut it with the board.

Linda Livingstone: You know that world that you're describing where you're constantly having to reinvent yourself, that is relentless and it's probably becoming more and more relentless as the world changes so rapidly. How does a CEO, man or woman survive in that for any extended period of time as a CEO? How do you sort of maintain that level of focus and energy for the long run and keep some kind of reasonable balance in a life that is already very complicated?

Patricia Sellers: Well, okay. <laughs> Good questions there. You added the balance thing at the end which complicates it. I'm going to hold off on that for now. I mean, you have to. You're not going to survive. I mean too many CEOs have fallen because they haven't been willing to change fast enough. So, you have to. You have to take bigger risks today. You have to understand risks today and you have to have terrific executors under you as a CEO because most CEOs don't fail on strategy, they fail on execution. Then you bring in the balance question Linda.

Linda Livingstone: Well. I'm not sure you ever find balance but I'd like to hear what your thoughts are.

Patricia Sellers: You know, Indra Nooyi says her take on balance is, "I work hard and I work harder." She says, "balance for me is for the birds." Now the "for me" is a very important qualifier because I think any CEO is a fool today if he or she ignores that because the students coming out of business schools and colleges have no tolerance for a lack of at least sensitivity to that balance issue.

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Linda Livingstone: The more you read about these sort of Generation Y or the next generation, they really want more balance. They really want to be able to enjoy their life while also working hard and doing things. It'll be interesting to see how over time corporations sort of adjust to that, especially people that were raised in a very different generation with a different philosophy.

Patricia Sellers: Not only do they want it, they feel entitled to have it. At our Women's Summit, were you in the room when Judy Woodruff was talking about going across the country?

Linda Livingstone: Yes.

Patricia Sellers: Judy Woodruff is doing a project of you know, well known CNN and PBS journalists is doing a big project for PBS. It's going to be a documentary on PBS in early next year. She traveled the country this summer on a bus interviewing kids sixteen to twenty-five. And she talked to us at the Summit about some of her findings and she was shocked to find how entitled these young people feel to have balance in their lives to get promotions within six months of arriving at a company, to get raises quickly.

It's tough managing today. It is and you have three or four generations of people in the workforce, too, that all sort of have different values and different philosophies about work. Absolutely.

Linda Livingstone: We sort of talked about how you sustain success over a long period of time. Well, in this year's issue you had I believe six women who have been on your "Most Powerful Women List" since its inception in 1998. People like Kathleen Black, and Judy McGrath, Ann Moore, Oprah and others, what is it about those women-- is there anything unique to them, maybe different than we already talked about that has allowed them to sustain sort of that level of success and power over a fairly extended period of time?

Patricia Sellers: Isn't that interesting that those women you named are all in the media? That's really interesting and I hadn't thought of that before. I mean there are a lot of media women on the list, there are a lot of consumer products, packaged goods women on the list. Flexibility. Anne Mulcahy talks in this new issue. She has a first person piece in there. She talks about how the most important thing you need today is flexibility because the world is changing so fast. Adaptability. Judy I interviewed extensively for this issue. She was at our Summit and she said people say she's like a sixteen-year-old boy in a fifty-year old women's body. I mean she has been amazing in adapting to the times and the trends. Oprah. I've spent lots of time talking to Oprah and she's constantly questioning herself. Ann Moore, our CEO at *Time* and

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Kathy Black, the head of *Hearst Magazine*, these are women who are in very fast paced industries where innovation is the thing and you're constantly creating and these women are on the list for this many years because they're creative and they're adaptable.

Linda Livingstone: There were two women on the list this year from the Los Angeles area both of who happen to be in entertainment: Anne Sweeney who was number thirteen and Stacey Snider of DreamWorks who's number fifty. For as large of a city as LA is and as vibrant of as a business community, that seems not to be a lot of Most Powerful Women on the list and not at the top ranks of that, what's your thinking about is it more difficult in LA to be a "most powerful woman" vs. other parts of the country or is that a pretty typical distribution in a large city?

Patricia Sellers: Well, I mean three out of fifty, that isn't bad.

Linda Livingstone: That's not too bad.

Patricia Sellers: No. I'm sure there's a lot, lot more in New York but that's interesting. I don't know. Sherry Lansing used to be on the list. She's not at Paramount anymore. We have Stacey Snider as number fifty on the list. She left Universal Pictures. She's now at DreamWorks. She's unproven. She has a great reputation. There's a lot of good buzz about their slate and if Brad Gray loses his job at Paramount, she's been talked about as replacing him. She deserves to be on the list but I'll tell you what's amazing is just maybe three years ago, generally, in order to get on the list, you needed-- now there are the movie women, the media women are exceptions because they have this quality of social and cultural influence that gives them an extra boost in our sort of judgment of them but you needed in general three billion in revenues to get on the list.

Now the cut off, just for number fifty, is around six billion in revenue, which is amazing. It's harder and harder every year to get on the Most Powerful Women list, which is really encouraging to me.

Linda Livingstone: It is, but it does also have implications for a city like LA where there are not a lot of large Fortune 100 or Fortune 500 headquarters. It's much more about entrepreneurship. And certainly a lot of women entrepreneurs in LA but by the nature of the way that is going it could actually influence communities where there are not large businesses headquartered. Yeah. Could be part of it. Interesting.

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Rick Gibson: Well that concludes Part One of the Sellers interview. Join us next time for Part Two. Dean Livingstone thanks for joining us today it was a fantastic interview. Any final thoughts?

Linda Livingstone: Well I just think people will really enjoy the second half of the interview as Patty continues to share some of the wonderful insight she's gained through the years talking to these fascinating CEOs and business leaders.

Rick Gibson: Probably a little different position for her to be on the opposite side of an interview.

Linda Livingstone: It is, and she even commented on that in the discussion we had about being "the news" sometimes instead of just being "the news writer."

Rick Gibson: Well, very good. Thank you all for joining us today. Please visit the Graziadio School website for additional information at bschool.pepperdine.edu. You can also subscribe at iTunes or the Pepperdine website. So until next time thanks for joining us.

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