

# What Really Turns Your Crank?

An Interview with John F. Welch

**EDITORS' NOTE** *The recipient of a B.S. in chemical engineering from the University of Massachusetts and a Ph.D. in chemical engineering from the University of Illinois, Jack Welch joined General Electric in 1960. He was elected vice president in 1972 and vice chairman in 1979. In 1981, he became chairman and CEO. While he was CEO of GE, the company's market value increased \$400 billion, making it the world's most valuable corporation. GE was consistently voted the World's Most Admired Company, and Welch was named Manager of the Century by Fortune magazine. A former chairman and a member of the Business Council, the National Academy of Engineering, and the Business Roundtable, Welch retired in 2001. He is also the author of Jack: Straight from the Gut, published in 2001, and the recently released Winning, which he wrote with his wife, Suzy Welch.*

**You've had such power in the global business community. Now that you're retired, what is it like to lose that power and just be rich?**

When you're running a big company, you don't think of it in terms of power. You think of it in terms of building something: building careers, building an institution and enhancing it. You're always learning when you're running a business. When you retire, you use that same energy for speaking, writing, and all kinds of other things. You just turn your head a bit, but nothing really changes.

**A lot of CEOs like to make their predecessors disappear. Has that been the case at GE?**

I have disappeared from GE. I do not get involved in GE business; I'm not on the board and I don't go to any meetings. My successor infrequently calls when he has something on his mind, but I don't call him.

**Was it hard in the beginning?**

Not at all. I was happy straight through. My life today is more exciting today than at any other time.

**And since then you've written a**

**couple of best sellers and one is just out.**

Yes. The first one [*Jack: Straight from the Gut*] was an autobiography, and it was sort of fun to write about how it all happened. And the second one [*Winning*] was a response to my traveling around the world and listening to questions from other people. It was about them – not about me. So my wife and I wrote a book that responded to the concerns, interests, and questions on people's minds about various aspects of the



I'm an advocate for being comfortable in your own shoes, and just being yourself.



workplace and life. I tried my best to deal with that in this new book.

**And you had your wife as a co-author.**

Yes, and that made it a lot easier. The book is more insightful, due to her probing and questioning, and just about everyone has commented on how well written it is. That's because she's a fabulous writer.

**Is this the beginning of a new duo of authors?**

I don't know. Only time will tell, but we do a lot of things together. We write op-ed pieces together. We both do a little speaking. We like to talk business, and we like to talk about things that make business work. We like the same

things, and that works out very well.

**Why should people buy the book? What will they get out of it?**

They'll get answers to a lot of things that they're wrestling with: how to be a leader, what leadership is all about, how to deal with a boss in a bad situation, how to think about work-life balance, and so on. If they're managers, they'll learn how to do budgets. If they're top leaders, they'll find out how to deal with crises, the various stages of crises, and the common pitfalls that cause crises. So there's a lot of information in the book; there's something in it for everybody. There isn't a kid graduating from college who shouldn't be looking at it. It will give them a big head start in business. The proceeds of the book go to charity, which makes it easy for me to tell you the book can add a lot to just about anyone's perspective. For instance, I always tell M.B.A. students to read page 257. It gives them things to think about for their career.

**Do have any advice in the book for people who are going to retire or who have retired?**

No, I don't. But I think retiring is all about looking forward. It's not about looking back. As I see it, you never retire. You just change jobs. "Retire" is an ugly word.

**How do you stay fit?**

Exercise, such as pilates. I have a trainer. I work at it and watch my diet.

**How do you keep your brain fit?**

I have a number of speaking engagements – about 40 a year. I go around the world talking. I consult for two or three companies, and I work in the leveraged buyout business. I help Joel Klein, chancellor the New York City schools, on an aspiring principals program. So I have plenty going on.

**You've always garnered a great deal of respect in your career at General Electric. How have you kept that respect through the years?**

Well, I don't know if I have or if I haven't. I have just been myself. I'm an advocate for being comfortable in your own shoes, and just being yourself.

**In the new book, what advice do you give young people just starting out in their careers?**

Pick a company where you like the people; find the kind of people you want to be around. Always look for opportunities that will give you a chance to learn. If you're not starting your own company, look for a job with a company with a good brand, so that will become a ticket to your next job if it doesn't work out. Always look for something that really turns your crank; look for work that you like and work that you want to do. Once you join a company, the route to getting ahead is clear. Always over-deliver. Never do just what the boss asks; always do more. Have a positive attitude. Don't walk around with a sour face. No one wants that. Have a positive, "can-do" attitude. And lastly, have plenty of ambition, but don't wear it on your forehead with your peers, your subordinates, or your superiors.

**Do you approach the topic of corporate dress codes?**

I don't think it's about dress. Of course, there are some norms that you have to adhere to if you're in certain industries doing certain things. But what you really want in young employees are brains and their passion.

**Which is more important – brains or passion?**

They're equally important.

**What frustrates you the most these days?**

Very little.

**Nothing annoys you?**

I'm annoyed very rarely, but I am frustrated by anyone who walks around thinking the glass is half empty. I really like to be around optimists. Too many people are negative about the economy, and it frustrates me when people moan about our global position. I think it's very strong.

**So you think the rest of this year and next year will be strong?**

I see them being strong, yes.

**How about politics? What can a person learn in business that can be used to advise them in politics?**

There's not an awful lot from business that be translated into the government sector. It's a different game. Compromise is overwhelmingly important in politics. Playing it safe is very important. There are different factors that are critical to achieve great success in the private sector.

**Are you ever frustrated by the government's relationship with the business world?**

No.

**Not even with all the recent investigations?**

Well, obviously, any time the pendulum swings, it swings too far. We've had some excesses in the marketplace, so we had to take some actions to build

the public's confidence in our structure. We are doing that. However, just recently the SEC has issued some new guidance. People are being told to treat different risks differently and put judgment back into the accounting practice, which had gone by the wayside. So the pendulum is swinging back; it will get to the right place.

**How early in their lives should young people begin planning their estates?**

I grew up without much money, but the first day that I made any money, I

Not too bad, but I saw giving my children an education as a real obligation. That was about the only financial planning I did then.

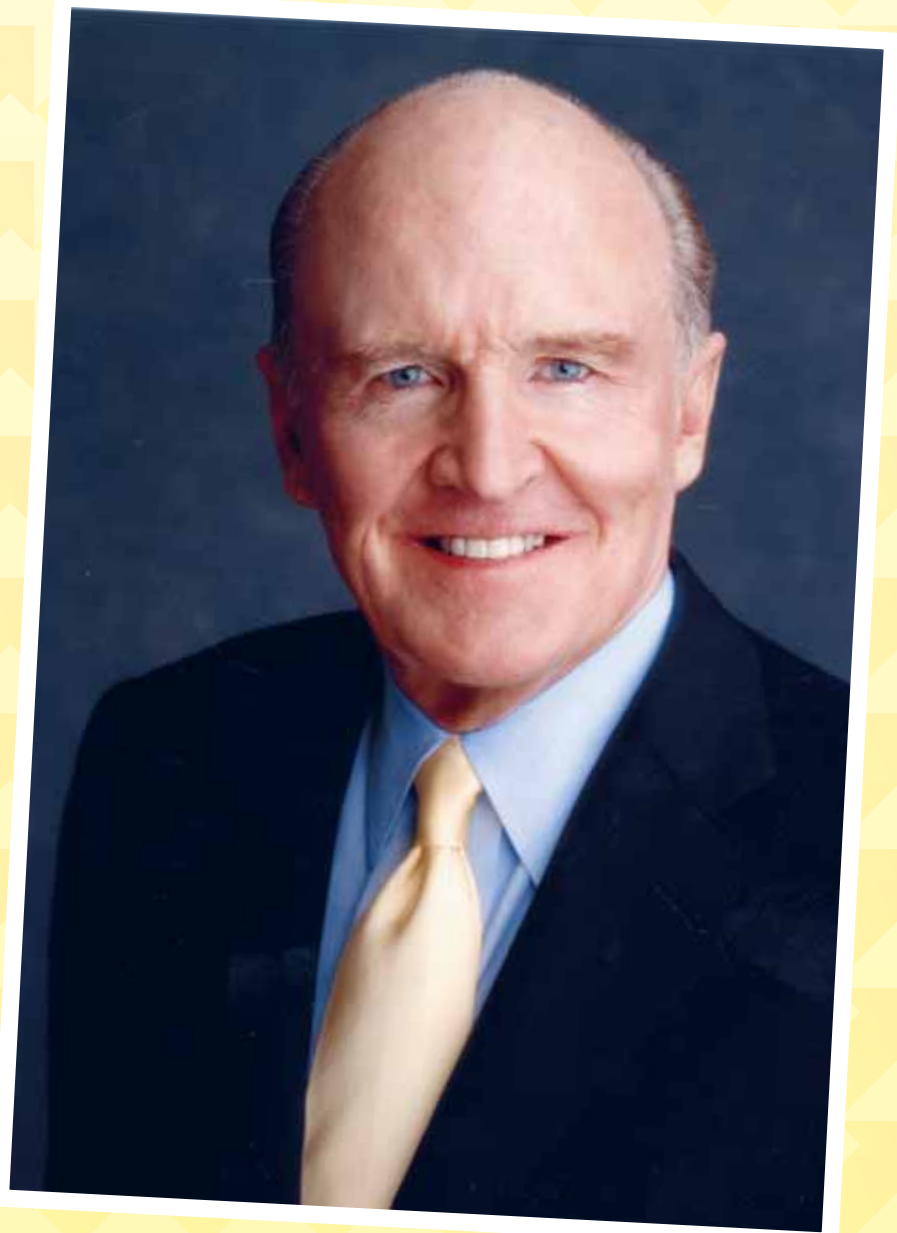
**And how are the kids doing now?**

Well! They've all graduated from good colleges. They all have their own lives and they're living independent and happy lives in all different fields – I have an artist, a stay-at-home dad, a carpenter, and a financial analyst.

**You have kids in many fields.**

Right.

**They can give you a lot of good**



started putting away for my kids' education. Even when I made very little, I put 10 percent of my income away for my kids' education.

**That's pretty good planning.**

Well, there never was enough money, but planning for the future is in my blood.

**Those early days must have been hard financially.**

**advice at this stage of your life.**

Yes, but I think we try to give each other less and less advice.

**As you grow older, does everything still work?**

Everything that I need to do.

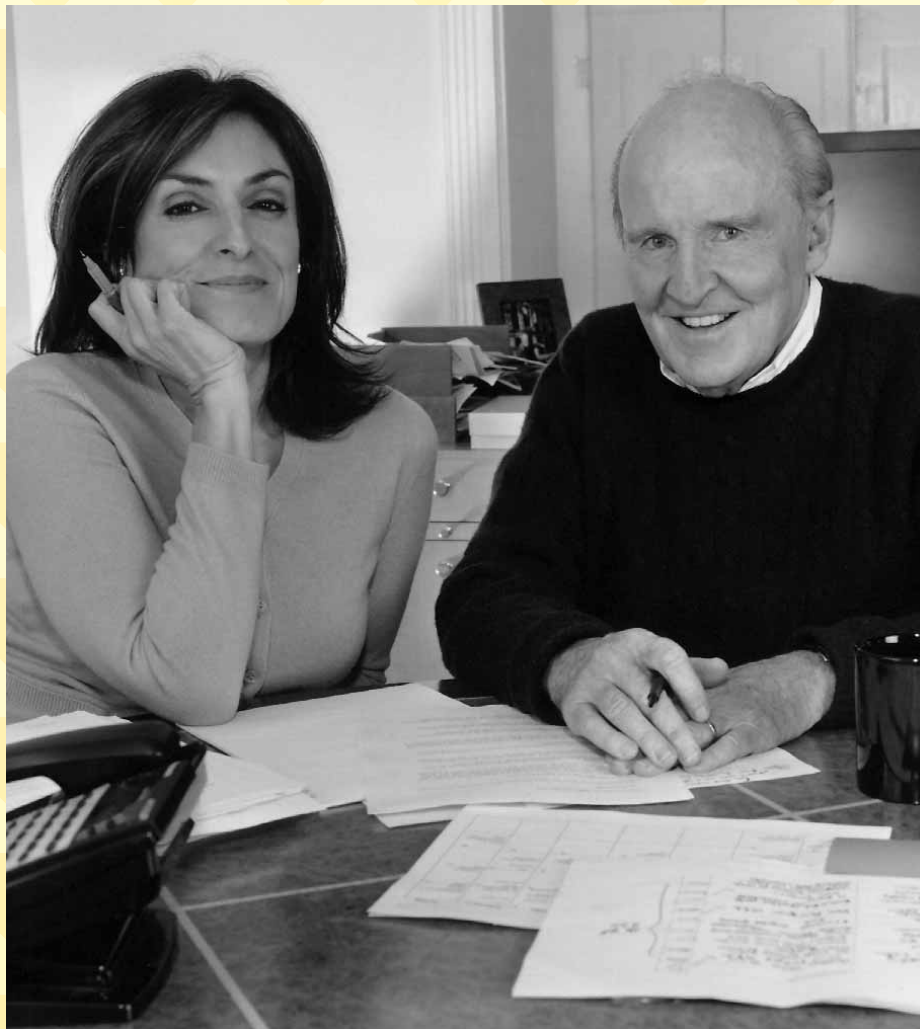
**You don't wear glasses?**

I wear contacts.

**Do you still play a lot of golf?**

No, I don't. I had back surgery, and





Jack and Suzy Welch

I don't want to take any chances.

**What do you do to relax now?**

I have a lot of time to relax. I have a great wife. We listen to music. We work out. We vacation together. She has four young kids, whom I enjoy very much.

**At one point in your life, you didn't use a computer. Then you changed your mind and used it heavily.**

That's still the case. I came late to the party and then went over to the other side.

**Did you write your latest book on the computer?**

My wife did the work on the computer. We would talk for a week or two about a subject – morning, noon, and night – and that would result in a chapter. She would interrogate, interrogate, interrogate, and we would analyze the discussions together. Finally she'd say, "I have enough," and she would frame the first draft. I'd go over the draft and then we would go back and forth for about 20 drafts. That's how we worked together.

**It must have been fun.**

It was great fun. It was probably the greatest experience I've ever had.

**Bill Clinton said that everybody over 50 ought to write an autobiography. Do you agree?**

Well, it's fun to do it. Most of all, I like that the proceeds from the book go to charity. Secondly, I meet all these wonderful people at book signings, who are a self-selected crowd who will wait in line to see me, I get to hear their stories, hear how things I have done have touched their lives, and hear their aspirations. It's fantastic. I strongly recommend writing a book with your wife or husband. It's one of the fun things you can do together.

**You always seem to be extremely happy and optimistic. What makes you who you are?**

A great Irish mom. As her only child, I always had the sun rising and setting on me. She gave me the self-confidence that served me well my entire life.

**Who do you respect most, either now or in the past?**

I respect a lot of people. I don't like to pick out any one person. But if I had to pick one person who I think has done a pretty darned good job across the board, it would be George [H. W.] Bush, the father. If you think about his patriotism, his parenting skills, and what he has given back to the country, he has a pretty darned good record.

**Is there a figure from history from**

**whom you've molded your ideas?**

No, I don't think so. I like a lot of Drucker's thinking, but that's not history yet.

**What's your most well-known characteristic, in your opinion? Optimism?**

I think that's one of them. I think I'm also known for being candid.

**What's the best bargain you ever got?**

The RCA acquisition, which contained NBC and a host of other businesses.

**What do you feel is your greatest extravagance?**

Good wine.

**Do you have a collection?**

I have a reasonable cellar. I like a good bottle of wine.

**What did you want to be when you grew up?**

Probably a hockey player with the Boston Bruins.

**Did you ever play hockey?**

Yes. I was very good in high school, but I quickly found out in college, after a year of playing, that I wasn't that good. I wasn't very fast. I just wasn't good enough.

**What's your biggest regret?**

I think it would be that my mother did not see the success of her son and his family.

**Now that your book is a best seller, will there be offshoots of it, such as DVDs featuring your speeches?**

We've had lots of proposals for things pertaining to the book, but it's too early to speculate about what we'll do about it.

**What's on the horizon?**

I'll continue my speaking engagements and I'll continue consulting. I'll also continue to search for the next good idea.

**You never seem to have much of an ego. You seem to be very straightforward and very natural. Even though many CEOs are always focused on themselves, you've never been one to say "I, I, me, me."**

I don't think of things in those terms. Who would be so pompous to think they could run GE by his or herself? The whole idea – that you could run a \$130-billion company by yourself – is preposterous. I know from playing hockey and other sports that it's the team that counts. I believe that to my toes. In business, whoever has the best team, wins. So I've always felt that I need a team to succeed. All executives have a sense of self, or we wouldn't have those jobs. But the idea of "I, I, me, me" never made sense to me.

**Is there a particular message you want to send to the general public?**

I think that things are good, and jobs are plentiful. For those who want to reach and dream, the opportunity is there. I believe that to my toes. ●