

# Improving Businesses

An Interview with Peter W. May, President and Founding Partner, Trian Fund Management, L.P.

**EDITORS' NOTE** Peter May has been President and a Founding Partner of Trian since November 2005. He serves as the non-executive Vice Chairman of The Wendy's Company and is also a member of the board of directors of Mondelez International, Inc. From May 2008 through May 2017, May served as a director of Tiffany & Co. He also chairs Trian's ESG working group. From April 1993 through June 2007, he served as President, Chief Operating Officer and a director of Triarc Companies, Inc., which during that period of time owned Arby's Restaurant Group and Snapple Beverage Group, as well as other consumer and industrial businesses. May was President and Chief Operating Officer and a director of Triangle Industries from 1983 until 1988, the largest packaging company in the world and a Fortune 100 industrial company, when that company was acquired by Pechiney, S.A., a leading international metals and packaging company. He is the Chairman Emeritus of the Board of Trustees of the Mount Sinai Health System in New York, where from October 2002 until April 2019 he led the turnaround of this major academic health center from serious financial difficulties to what is today one of the most profitable and fastest growing academic medical centers in the United States. In addition, he is an Emeritus Trustee of The University of Chicago and a Life Member of the Advisory Council of The University of Chicago Booth School of Business. May is Co-Chairman of the New York Philharmonic,



Peter W. May

a director of Lincoln Center for the Performing Arts, a trustee of the New-York Historical Society, and a partner of the Partnership for New York City, and was the past Chairman of the UJA Federation's "Operations Exodus" campaign. He is Chairman of the Board of The Leni and Peter May Family Foundation. May received AB and MBA degrees from The University of Chicago and also holds an Honorary Doctorate in Humane Letters from the Mount Sinai School of Medicine of New York University.

**FIRM BRIEF** Founded in 2005, Trian Fund Management, L.P. ([trianpartners.com](http://trianpartners.com)) is a multibillion-dollar investment management firm with approximately 50 employees. Trian is a highly-engaged shareowner that combines concentrated public equity ownership with operational expertise. Leveraging the 40+ years' operating experience of its Founding Partners, Nelson Peltz, Ed Garden and Peter May, Trian seeks to invest in high quality but undervalued and underperforming public companies and to work collaboratively with management teams and boards to help companies execute operational and strategic initiatives designed to drive long-term sustainable earnings growth for the benefit of all shareholders.

**What have been the keys to Trian's success and how do you describe the firm's culture?**

Trian has been in its current format as an investor of both the Partners' money and outside investors since 2005, but follows both the

same investing philosophy and culture that Nelson Peltz and I have employed since the early 1980s when we invested only our personal capital. We invest in good businesses which we believe are undermanaged or missing opportunities, and we become active with the management and board to improve the long-term value of these businesses.

Our success has been based on "doing our homework" in analyzing our investments, but most importantly, bringing an entrepreneurial and operational focus to the businesses which is based on our own experiences in running and managing businesses over several decades. Our culture is very collaborative. We encourage all of our team members to challenge one another's ideas and decisions. We operate much like a family, with a philosophy of what we call "respectful confrontation."

**The world is fighting a public health crisis that is impacting all countries and their citizens. The pandemic is being fought on the front lines by healthcare workers, first responders, those providing supplies and meals, transportation workers and all other essential workers. What do you say to these true leaders and heroes that are risking their lives to protect others?**

The pandemic we are currently living through is a life event no one was prepared for. In my role as Chairman Emeritus of Mount Sinai Health System, having served as chairman for over 17 years, I have had a front row seat observing the impact of this devastating disease, as Mount Sinai was essentially at ground zero in dealing with the crisis in New York City and at the forefront of therapeutic

**"Our success has been based on 'doing our homework' in analyzing our investments, but most importantly, bringing an entrepreneurial and operational focus to the businesses which is based on our own experiences in running and managing businesses over several decades."**

---

**“We invest in good businesses which we believe are undermanaged or missing opportunities, and become active with the management and board to improve the businesses.”**

development and research. At its peak, Mount Sinai treated over 2,200 patients in its system daily.

I have been amazed and very proud of the care, selflessness and relentless devotion of the entire leadership, faculty, doctors, nurses and staff who risked their own health to take care of the ill. We were always proud of the system we built, but seeing everyone rise up and deal with the crisis has been awe-inspiring. My thanks and gratitude to all those on the front line, throughout the world, has no bounds.

**How has Trian and the companies it invests in been impacted by the pandemic?**

Trian and the companies we invest in have all been affected by this pandemic. The way we work, communicate, and support our people and the broader community has been a strong focus for all of us. The first priority has been the safety of our employees. At Trian, we are still working remotely, maintaining recurring meetings and communications, but virtually. We hope to open our office this fall but will be responsive to conditions and allow people to decide for themselves to come in or work from home.

I serve on the Boards of Mondelēz and Wendy's. Like all companies they have had to adapt to the pandemic in major ways, focusing first on the safety of their employees and customers. At Wendy's, we have been fortunate to keep almost all of the restaurants open by offering pickup and delivery. This has resulted in a lot of focus on technology as mobile ordering and delivery has accelerated dramatically. We have

also given bonus pay to our employees on the front line as they put themselves at risk working at the restaurants. Obviously, all the safety measures of using gloves and wearing masks are mandatory.

At Mondelēz, which is an international company, we have had to react to each market based on local conditions with safety as the first principle. Most of the bakeries and factories have been able to function with appropriate social distancing and other precautions. Again, bonus pay has been important to thank and recognize our employees.

At both companies, travel of management has been curtailed and meetings have all been virtual, including Board meetings, and the annual meetings of shareholders.

**There is a great deal of discussion about businesses reopening in a “new normal.” What is your outlook for what this new normal may look like and how is Trian preparing for the next stage in this crisis?**

I think we will see significant changes in certain areas, but will also return to a lot of previous practices. Many people will want more flexible working hours and routines, with many continued remote or virtual meetings. Business travel will probably be reduced dramatically for a long time as technology has allowed effective virtual meetings to be almost as good as face to face meetings, particularly with small groups. Having said that, I believe there is still a hunger for live group interaction, particularly when doing strategic planning and brainstorming.

Another outcome from the pandemic is that businesses and not-for-profit

organizations have been forced to examine their entire cost structure in order to survive the reductions, or cessation, in revenues that so many have faced. Coming out of the pandemic, most well-run organizations should have permanently streamlined their operations which should portend well for future profitability.

**What are the keys to New York's recovery and rebuilding?**

I think the impact in New York will last longer than other places as the time spent by so many commuting has been saved by working from home and many may not want to go back to the old ways. We are already seeing rising real estate prices in suburban and “second home” locations, while New York City residential prices are under a lot of pressure with a huge decline in transactions. Office real estate will be more complicated as more work from home will lessen demand, but social distancing may offset that slightly.

Having said that, the excitement and vibrancy of city life, particularly for younger people, make me very optimistic that we will return to some part of our old lives. At the end of the day, I believe people want to communicate face to face, socialize, travel, eat out, attend concerts, movies, theater and sporting events, and will do so once they are comfortable that they are safe. That only comes with the widespread use of a vaccine that is known to be effective and the amount of effort and resources focused on vaccines and treatment are unprecedented. I am confident that we will be back to a life we love and thrive in. It's only a matter of time. ●

---

**“Our culture is very collaborative. We encourage all our team members to challenge one another's ideas and decisions.**

**We operate much like a family, with a philosophy of what we call ‘respectful confrontation.’”**