

Graduation Speech

The following is a reprint of a speech given by Ed Straw, President, Global Operations, The Estée Lauder Companies, to the graduating class of The George Washington University School of Business on May 15, 2004

Good morning everybody – what a truly magnificent day for all of you, in this truly magnificent city.

Good morning to our distinguished Dean, the members of this outstanding faculty, and a very special good morning to the awesome graduating class of 2004 – your families and friends.

Good morning to my wife and best friend Chris, and to my legacy: daughters Silvana, Meggie and Katie. Dean Phillips – thank you for inviting me to speak today. When I think of the hundreds of more notable graduates, I stand tall with honor and pride to be here. I also enjoy returning to a city where I lived for over 15 years of my Navy career, and I am especially pleased to return to this outstanding university – to which I give credit, in large part, for the level of success I have achieved in my Navy and private sector careers. Now – since I can read the minds of the out-of-town graduates – I promise to be brief so that you can come up to the stage, get your diploma and get out of town early. While I'd like to claim to be clairvoyant, the simple truth is that I felt the same way when I sat where you are and received my MBA in 1972. So I promise to keep my remarks short, if you promise to remember my message – a message I call: Straw's Twelve Laws for Career Success. (I call them laws because the word rhymes with Straw's—they are really twelve time-tested tips to a successful career.)

Number one. Find the right garden to grow in.

In other words, select a sound, viable company with a job opportunity that fits you best. Do not take the first offer you get, no matter how big the carrot. Shop yourself around and do as much due diligence on your prospective employer as they will do on you. As you begin your career or transition to a new one -- challenge, education and an opportunity for continuing advancement are more important than compensation, and so is selecting a position that you are excited about doing. I assure you that you are more likely to succeed if you're doing something you enjoy and can do with passion. For Straw's second law, let's assume you've taken a new job.

Number two. Forget your grade point average and class standing.

I don't know or care about the GPA of anyone who works for me. I, and executives like me, care about performance,

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leadership, good judgment, hard work, uncompromising integrity, loyalty, the ability to anticipate and a controlled ego. We can teach a willing rookie the fundamentals of our business in a short time. But, we expect you to step-up to the plate with the ability and integrity to perform, lead and make sound judgments on your own.

Number three. You don't get a second chance to make a great first impression.

Your professional reputation starts the moment you walk through the front door of your new company – for the naval officers in the audience – the moment you step onto the quarterdeck. So you must hit the deck running and you must look and play your best everyday. Those of you who believe the old adage “if you work smart, you don't have to work long and hard,” will quickly learn that your competition is doing both -- and doing so from their first day on the job. It's tough enough to compete with other rookies – you will also be competing for advancement with wily, seasoned veterans. So how do you make your mark? Let's move to number four.

Number four. Don't be afraid to go in harm's way.

When the boss needs someone to take on a problem in Peoria, raise your hand. Go to Peoria, and turn it into the best operation in the company. Then raise your hand again and fix the nasty accounting problem the auditors have identified. Become the person who fills the potholes – not the person who complains about them, or drives into them. Don't be afraid to take risk. As Wayne Gretsky said: “you miss 100 percent of the shots you don't take.” Challenge the status quo - raise the bar, and accept nothing but the best from yourself and your team. I believe that Michelangelo said it best: “The greater danger lies not in setting our aim too high and falling short – but in setting our aim too low, and achieving our mark.” When you tackle the toughest jobs – set your goals higher than you believe possible – you will be noticed – you will rise above the pack.

Number five. Loyalty down motivates loyalty up.

Said simply, if you take care of your people – your people will take care of you. The best performers who have worked for me over the years have been outstanding leaders -- leaders who understand how to work laterally with their peers, upward with their bosses – but most importantly downward with their troops. They understand a simple secret -- that you cannot sustain outstanding performance over time without the loyalty, dedication, hard work and best performance from your subordinates. I have seen bright, hard-working men and women fail because they did not have

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the support of their people. Let's look quickly at some of the ways to win their hearts, minds and respect:

- Manage by walking around. You cannot lead from behind your desk.
- Get into the trenches and learn what your people are doing. There's a great lesson in the TV commercial – MBA's don't do shipping. The MBA, who gets into the trench and does some shipping, will quickly learn the importance of supply chain management.
- Be accessible – don't let your admin assistants build a moat around your office.
- Keep the communication channels open—both up and down.
- Don't take yourself so seriously that you don't listen to your people.
- Don't allow your ego to affect your hearing. Learn to listen and listen to learn. You will find that the best ideas for process improvement and efficiency come from within.
- Get to know your people, their families, and their birthdays. Help them with their problems and they will help you through yours.
- Reward them in public – criticize them in private.
- Give them stretch goals and turn them loose. Allow them to be creative, to take prudent risks and do not micromanage them.
- Be decisive – nothing turns off a good team more than a leader who cannot make a timely decision on a tough issue.

I could talk to you about leadership for the rest of the morning – but I remember my promise, and will move on to number six.

Number six. Bad news does not improve with age.

Said another way – never let your boss be surprised -- something Secretary Rumsfeld must not have learned at Princeton. (At the time of this speech, President Bush was not in the loop regarding prisoner abuse in Iraq.) This law must be followed both up and down the chain of command. You need to keep your boss informed and create a climate that requires your subordinates to immediately communicate bad news to you. Leaders who shoot the messenger will seldom get the message – until it's too late to do something about it.

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Number seven. If the wind blows your hat into your neighbor's strawberry patch – do not pick it up!

This old Chinese proverb translates into a powerful message. Picking up your hat is likely to make your neighbor think you are eating his strawberries – and in this age of Enron, Tyco, Worldcom, and Adelphia, the perception of unethical or dishonest behavior is almost as bad as such an act itself. There is no room for compromise in either the government or the private sector. You must stand for what is right – even if right is the unpopular or more difficult course. When the decision is gray, instead of black or white – I always apply the Washington Post test. What would my mother think if she read it in the Washington Post?

Number eight. Get to the point in one page.

Nothing I tell you today is more important to your career success than being able to distill a difficult subject into a one-page paper. Simply stated, if it takes more than a page, you don't understand the issue. I get 300 e-mails a day. I do not have time to put puzzles together. I need critical thinkers and problem solvers, and I need lean, compelling issue papers – not clutter and buzz words. I have seen brilliant men and women fail because they could not translate their incredibly good ideas into simple, understandable terms. Someone once said: "Please forgive the long letter – I didn't have time to write a short one." Take the time to be short and surgical.

Number nine. Deliver the message to Garcia.

Written by Elbert Hubbard in 1899, these four pages are the most valuable article you will ever read. Let me summarize for you. When the boss says – please deliver this important message to Garcia – do not ask him who is Garcia, where is he located, when to leave, whether by train or plane, how much it will cost or how quickly it needs to be done. Just deliver the message. In Mr. Hubbard's words: "Civilization is in a long anxious search for such individuals. Their kind is so rare that no employer can afford to let them go. They are wanted in every city, town and village; in every office, shop, store and factory. The world cries out for the man or woman who can carry the message to Garcia."

Number ten. You are the captain of your own ship.

If you want something badly enough, and if you set your goals to match your dreams, commit to working hard and lead your people on the same course – you can get what you want. When Mrs. Estée Lauder, who died two weeks ago at age 97, was asked how she went from making skin cream on

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her stove to a 5.5 billion dollar company, she said: "If you push yourself beyond the furthest place you think you can go – you'll be able to get there. Success depends on daring to act on your dreams." I too am a dreamer and believe that visualization and self-actualization will help you achieve your dreams. Laser-like commitment and focus, along with the other tips I've discussed, can bring you similar success. For example, when I sat out there in 1972, I said to myself: "Someday I'm going to be on that stage speaking to a graduating class." Thank you Dean Phillips for helping make my dream come true.

Number eleven. Remember the mayonnaise jar.

When things in your life seem almost too much to handle, when 24 hours in a day are not enough, remember the mayonnaise jar. Let me tell you a story I heard recently. A professor stood before his philosophy class. When the class started, he picked up an empty gallon mayonnaise jar and proceeded to fill it with golf balls. He asked the students if the jar was full. They agreed that it was. Next the professor picked up a box of pebbles and poured them into the jar. He shook the jar and the pebbles rolled into the open areas among the golf balls. He asked the students again if the jar was full. They agreed it was. The professor then picked up a box of sand and poured it into the jar. The sand settled among the golf balls and pebbles. He asked once more if the jar was full. The students responded with a unanimous "yes." The professor then poured two cans of beer into the jar -- effectively filling the empty spaces among the grains of sand. "Now," said the professor, "I want you to recognize that this jar represents your life. The golf balls are the important things – your family, your children, your health, and your friends – things that if everything else were lost, and only they remained, your life would still be full. The pebbles are the other things that matter like your job, your house, your car. The sand is everything else – the small relatively insignificant stuff." "If you put the sand into the jar first," he continued, "there would be no room for the pebbles or the golf balls. The same goes for life. If you spend all your time and energy on the small stuff, you will never have room for the things that are important to you. Pay attention to the things that are critical to your happiness. Play with your children. Take care of yourself. Take time to get medical checkups. Take your partner out to dinner. There will always be time to finish the boss' speech, even if you have to miss some sleep." One of the students raised her hand and inquired what the beer represented. The professor smiled. "I'm glad you asked. It just goes to show that no matter how full your life may seem, there is always room for a couple of beers with a friend."

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Number twelve and last. Just doing well will never be good enough.

Straw's first eleven laws provide my perspective on how to do well; how to achieve your dreams and get to the top; how to be happy, and if you want, how to make a lot of money. None of them are truly original thoughts--all have come from dedicated teachers, mentors, scout leaders, coaches, family, friends, peers, bosses and subordinates, lessons from successes, lessons from failures. This last one, number twelve, comes from an incredible writer named Anna Quindlen – from whom I quote: "Above all, get a life in which you are generous. Look at the azaleas in the spring; look at a full moon hanging silver in a black winter sky, and realize that life is glorious and that you have no business taking it for granted. Care so deeply about its goodness that you want to spread it around. Take the money you would have spent in a bar and give it to charity. Work in a soup kitchen. Tutor a seventh grader. Help those who helped you. All of us want to do well. But if we do not do good also, then doing well -- will never be good enough."

Ladies and gentlemen, it has been a distinct honor to speak to you this morning. Congratulations on your hard work and your graduation. This graduating class and classes like you all over this great country represent America's most precious and valuable resource – our young people. I envy the exciting journey you are beginning in this incredible global economy, and I hope that you will use my twelve laws to help you navigate along the way. I will visualize your success and safe travel.

May God bless you and your loved ones.