

Congratulations, Class of 2012. Dean Bradford, distinguished faculty, parents, friends and graduates, it is a real honor for me to be here today. When Dean Bradford asked me to give this address, I asked myself, “What could an old Iowa Hawkeye farm boy say that would be of any use to a Vanderbilt graduate?” It didn’t help when my wife said, “Why did they ask you?” I have to admit, the suspicion entered my mind the Dean wanted to teach you one final lesson....If I could become CEO of a New York Stock Exchange Company, all of you can.

I ran into Nick Zeppos, the Chancellor of Vanderbilt, a couple of days ago and, knowing he had listened to many commencement speeches, I asked him for some advice. He said the best ones are short. I can assure you I will heed his wisdom.

Many of you will soon be starting new careers. I can’t add anything to what you have been taught about finance, marketing, operations and the other courses you have taken. As you advance in your careers, your success will come not only from how well you apply those lessons, but also your ability to lead, manage and inspire people. I believe the two most important things a CEO does is pick the right markets to serve and the right people to manage the business. In the filter business we identified markets we thought would grow, developed products and made acquisitions to serve them, but today I don’t want to talk about that. I want to share a few of the lessons I learned along the way regarding humility, creating hope, expanding your knowledge base, selling and having someone to tell you the truth.

We have sponsored The CLARCOR Leadership Awards for a number of years at Vanderbilt. I have observed there are common characteristics of the winners of those awards and those who are successful leaders in their careers. People want to follow leaders because

they have confidence in them and know the leader will help them become successful. Leaders give people hope. They are self-starters and take the initiative, whether it be the first handshake to a co-worker, giving that little extra on an assignment or sharing the credit.

Most, if not all of you, had work experience before entering graduate school. I got my MBA going to night school while working during the day. One of the reasons I did was I saw some of my colleagues with MBA's getting more opportunities than me. They were on the fast track and I wanted to be on the same field. You are going to be one of those on the fast track. Some people you work with will be intimidated or even jealous of you, a graduate of a top 20 ranked school. While you have a superior education, most of these co-workers will know more about the job than you because they have been doing the work a long time. They know you have been hired for your potential and you will be moving up the ladder and they will remain to train the next one. As Yogi Berra probably said, "You only get to make a first impression once." I encourage you to take the first step to get to know the people you will soon work with. They will welcome your initiative and you will learn a lot and have someone who wants to help you succeed. Technical skills and intellectual horse power got you hired and will probably get you a few promotions, but I guarantee, you will not reach the top without the support of others.

Sooner or later it will depend on your ability to lead, manage and motivate people. If you don't remember anything else I say today, please accept this advice...Don't Play the Big Shot. Nobody I know ever got fired for being humble or being nice to people. Treat people at all levels in the organization with respect and do your best to help them be successful. You will see a huge payback.

Not every day will go perfectly. There will be ups and downs. Everyone has their peaks and valleys; their good and bad days. The real leaders bounce back from bad days quickly and have the ability to inspire their people and create hope in any environment. I had a very experienced and wise plant manager reporting to me who walked into the factory every morning with a big smile on his face – even bigger when the economy was bad. He told me, “If they see me afraid they will lose confidence about the future.” He said he had to give his people hope and assure them everything would be O.K. His people would have followed him off a cliff and they did make him successful. That is leadership.

My major in college was marketing and finance. As I started my career, part of my training program included the opportunity to work on a special project – installing an ERP system in a factory. I didn’t know what an ERP system was. I am still not a manufacturing expert, but that experience served me well my entire career by enabling me to understand how a factory worked and being able to relate to our manufacturing people. I could communicate with them in their language and, quite frankly, they could not snow me regarding their performance. If you get a chance, volunteer for a project outside of your comfort zone, whether it be on Wall Street, healthcare or wherever you go. A broadening experience for me was a stint in Toronto. While not that far away, it was a lot different than small town Iowa. Among other things, I learned real quickly it was Labatt’s and Molson in Canada – not Budweiser.

I have been to China 50 times in the last 25 years. If I were your age I would jump at the chance to have an International assignment for a couple of years and learn the language.

International experience is a great way to jump start your career, but I don't want to get you in trouble with your parents so when grandchildren arrive...come back.

My neighbor in Florida is Chairman of the Finance Department at Columbia University in New York. A couple of weeks ago we were out to dinner and he told me he was grading final exams of his MBA class. It was a take home test and the question was to analyze a hypothetical merger of two consumer products companies from a financial perspective. I asked him a few questions about assumptions regarding synergy savings, R&D, new sales opportunities, etc. and he told me the assumptions were given to the students. I know they wrote excellent exams and their financial analysis was brilliant, but in the real world the assumptions are not given. Soon you will be doing the analysis and will be accountable for the results. I can assure you acquisitions which do not work are not a good career move. Knowing the details of how the business works will keep you from making mistakes, as well as recognizing opportunities.

No matter what your job, sooner or later you will have to be able to sell. It may be a product, pitching an idea or convincing a co-worker. Some of you are naturals. For others of you it does not come so easily. No matter what, take the effort to get better. You will be selling internally everyday – to peers, subordinates and higher ups. How you do it will say a lot about you. There is nothing I dislike more than a person who, if you will excuse the expression, sucks up to the boss and treats people below them like dirt – in other words, can sell up, but not down.

I had a person reporting to me who was a real sharp guy and on the fast track; until he was promoted to a position where a number of people reported to him. While he could sell

upward, he could not relate to people below him on the organization chart and never received their total commitment. This fault reflected itself in a lot of ways that he thought he was better than other people. It derailed his career and he is no longer with our company. I encourage you to treat everyone the same whether it be the janitor or members of the Board.

At the same time, I do not want to say that it isn't important to sell upward. It is always sad to see someone who does a great job, has great ideas and just can't communicate. As you move up the ladder, communicating a vision will become increasingly important. You have to sell on the factory floor and in the Boardroom.

The last pieces of advice I want to give you is to always have someone to tell you the truth and have more than one source of information – someone who will tell you when you are wrong. There generally are at least two sides to every story. It is amazing to me how brilliant I became when I was CEO. There were a lot of people telling me how great my ideas were. Throughout my career I tried to find someone besides my wife who would tell me when I was wrong. For a lot of years it was our CFO who could find the downside to anything. When I first joined CLARCOR 22 years ago, my job was to run the filter business which required a relocation. You can imagine how much a 10<sup>th</sup> grade daughter looked forward to moving...luckily it wasn't to China. I actually found a drawing of me with ten daggers in my heart labeled "Sarah's Dad", signed by her friends. Unfortunately, there are sometimes personal sacrifices and trade-offs that you have to make. Fortunately she did great and now has a wonderful family. She actually said moving made it easier to adjust to college. As I got ready for the first day on my new job, I discovered for the first time in my life I had packed two left shoes. So I head to work in my best

suit wearing sneakers. Made quite an impression, especially coming from a hated competitor, being 40 years old at the time and younger than anybody who would report to me. Little did I know that nobody knew I was coming. The Vice President of Sales and Marketing at the time had a party the previous weekend announcing he had the job. He was 60 years old at the time and, as you can imagine, embarrassed and afraid I was going to fire him. We had a very frank discussion. I told him that to be successful I needed someone with his marketing expertise, knew the company, would tell me the truth and keep me from doing something stupid. I made a deal with him that if he would do those things, I would give him an employment agreement for 3 years. He agreed and I had someone who told me when I was wrong, taught me a lot about marketing and enabled me to do a better job.

I learned another lesson through that experience. Since my family had not yet moved, I ate every meal in the company cafeteria getting to know people at all levels, both from the factory floor and the office. I learned what they did, asked them for suggestions and shared my ideas. I learned so much that I continued the meeting with 10 random employees every month. All levels attended – from Vice Presidents to production workers. It was a great way to get unfiltered information from them and to them, as well as for them to get to know each other. I learned a lot about what was going on and they understood the reasons for our decisions and I had multiple sources of information. I still do this and encourage our operating company Presidents to do this. Many of you will be in a similar position someday in that people older, more experienced and who also wanted the job will report to you. Your success will depend on winning them over. Find a way to get them on your team. Learn what their goals are. They may

report to you, but that doesn't mean they will work for you without effort on your part. I know it sounds simple, but you can learn a lot by just walking around and talking to as many people as you can and asking them how it's going and what could we do better. You will be amazed how much they say when you have created an environment that you are really interested. To this day, one of the things I like best is meeting and talking to people in our company around the world.

As you move up the ladder, many of you will have P&L responsibility. Success of the organization will depend on your decisions. Wall Street doesn't like excuses, just results. Hopefully, some of the lessons I shared today will be beneficial.

To me business was always a game and it was fun. It never hurts to have a sense of humor. You keep score with the P&L and the stock price, but that's not what drove me. It was developing new markets, growing internationally, selling more every year, seeing people grow and beating the competition...in other words – winning. Early experiences outside of my comfort zone helped me build a foundation to understand how the whole business worked and to know enough to get help on my weaknesses. You are fortunate to be graduating from one of the top business schools in the world. You have all of the tools and, when combined with people skills and getting the support from everyone in your organization, you will be able to accomplish whatever your goals may be. People who have the support of their organization and treat all people with respect and dignity will be the leaders in any field they choose. I know every one of you can be that person.

Thank you for letting me share your day. I wish the best for all of you.