

David N. Farr – May 11, 2018  
Vanderbilt University – Owen Graduate School  
Commencement Ceremony

Dean Johnson, faculty and staff, graduates, families and friends. It is an honor to be here addressing the graduating class of 2018. I sat in this audience 37 years ago, yes, 1981, as a graduating MBA. It was exciting, gratifying, but even more – I was scared and uncertain about what laid ahead for me at Emerson in St. Louis – a whole new world of challenges, successes and failures. A new wonderful world for me to conquer!

To the class of 2018, congratulations. Your graduation is an outstanding achievement. It has come on the back of hard work, dedication and persistence – but your next phase of life is just starting.

To the families of the graduating class of 2018, I also want to say congratulations! You have played an integral part in creating the young leaders that sit here before me. I know you are so proud and excited for them, as my Dad was in 1981!

37 years ago, and no, it does not feel just like yesterday. I have traveled hundreds of thousands of miles around the world, lived in Europe and China, made many thousands of decisions – some right, some wrong – hurting some people and helping some people.

As you sit here, ready to begin your careers, I would like to share with you some of the things I learned over nearly 40 years at Emerson. Because now, more than ever before, the world needs leaders like you as we enter the next evolutionary change in U.S. manufacturing, innovation and the business world.

You are entering the workforce at a unique time in the history of our nation and our world. Though changes and challenges have always been a constant throughout my career, today's challenges are uniquely different, are moving at a faster pace and are more disruptive than I have seen in my lifetime. Leaders have the vision to see broad, global issues and challenges and have the ability to stand back and evaluate them (slow time around you to evaluate the issues) and make the tough calls – that is a winning skill so critical for today's leaders.

Now, I know you all have sat through many lectures and speeches here at Vandy, and I am sure you are ready to get on with your celebrations, so I will keep it to six leadership lessons/insights:

**Number 1: It is important to be secure in yourself and be willing to lead.** Strong leaders are marked by confidence in themselves and those around them. Negativity and lack of focus destroy the energy around you, ruin momentum and make success much more difficult to achieve. Believing you can and will succeed, marks the attitude of a winner and a strong leader.

If you fail, learn from your mistakes. Take a new approach and try again. Remember true leaders are tenacious, persistent and never give up – I see it as leaning against a wall to knock it down, inch by inch!

You will face many hurdles in your life – both personally and professionally. If you run into one and trip, it does not mean you cannot ultimately jump it, it just means you have to go about it in a different way. You have to believe you can and, eventually, you will. I have never given up trying to make something positive happen each and every day of my life.

Never forget that leading does not mean you are alone, even though it may feel that way at times. There will be times in life when you are asked to raise your hand by another leader and make something positive happen. Take the leap, trust them! True leaders recognize their strengths and their weaknesses, and use their strengths to build others up while asking for help to cover their blind spots. No one person can be everything. That is what a team is for. Strong leadership drives to build the right team and the right strategy.

For me, my wife, Lelia, a 1980 graduate of Owen Business School, has been my closest friend and confidant for over 40 years. She has always been there to offer advice, wisdom, support and energy as I struggle to make the tough calls, which all of you will face. Lelia has my foundational Rock of Gibraltar that all successful leaders need.

I watch too many leaders fail by surrounding themselves with weak players because they don't have the confidence in themselves as a leader and don't want to look weak, dumb or non-strategic with the best people near them! Trust me – that's a losing strategy.

**Number 2: Spend more of your time listening than talking and think before you speak.** Take the time to listen to other people's ideas, thoughts and approaches – it is a worthy investment. You are a part of your team, and there are more of them than there are of you, for a good reason – so shut up and listen. If you do, without a doubt, you will grow and succeed!

As a leader, you are responsible for your words, your team's results and your organization's successes or failures. So never take that for granted and never abuse your position of leadership and power, which is so easy to do.

Do not ever embarrass anybody with your leadership power or aggressive words. Say things with tact, kindness, and the proper edge to teach and to educate, not to destroy or tear people down.

Again, solicit advice from your team members, consider their perspective and use it with your knowledge to make a more intelligent decision. Reflect and decide on the right path forward. As I tell people, engage your mechanism (internal vision) to analyze all

the inputs and then decide the right direction – but always lean into it. And you will win more often than you lose!

**Number 3: Take action when it is needed, and give others a reason to believe in you and follow you.**

It is your job to bring passion and real engagement to your work every minute of every day. As a leader, you must develop detailed plans and produce a vision for the organization to understand where we are going and why. And what we expect to happen at the end of the journey. But again, the best leaders are always out in front – visibility and presence are always critical, especially in tough times and big inflection points.

Great leaders engage, debate, decide and live the vision with passion and energy for the organization that needs that confidence in front of them at all times.

This means that you will need to be ready to make tough decisions at any time as issues and opportunities will come at you in all shapes, sizes and complexities in life and in business. You have to be ready to deal with them head-on, 24 hours a day, 7 days a week and 365 days a year. Leaders cannot disappear and hide. They must always be ready to make the tough calls and support the organization and the team.

Always keep in mind that doing the right thing does not mean doing the easiest thing. Sometimes your decisions will be hard and gut wrenching, but you must take the right action as a leader.

**Number 4: You have to trust your moral compass constantly. Be uncompromising in your ethics and your ethical expectations of others.**

You all know what is right and what is not, your parents and grandparents taught you that. It is your responsibility as leaders to tirelessly promote honesty, truth and integrity. You must expect it from yourself and those around you, but most of all from yourself!

Honesty requires the truth within your heart. But beyond that, it requires integrity and sensitivity. You need to be fair but frank with people, with zero tolerance for distrust, deception or fraud as an organization cannot prosper without leadership, trust and honesty.

There is nothing complicated about ethics. We all just have to be honest and act with honor. As I preach around the world of Emerson, there is no such thing as situational honesty – just honesty.

Think back on the past 12 months. Think about how many successful people in government, business, religion, education, sports, and entertainment had their unethical decisions or bad behavior catch up to them. It will always catch up with you. If you make the right decisions and treat people properly, you have nothing to worry about.

Remember, once your integrity and trust are lost, they are gone forever and it is impossible to get them back. Think and do what is right. And don't abuse your power or presence – one of the toughest parts of being a successful leader. Trust me, it's real tough.

In 2012 and 2013 Emerson was struggling to grow and deliver what the Board and shareholders wanted, so I tried to drive the organization through this period with my own power, control, brute force and aggressive actions. I hurt many people and friends, the organization and the shareholders. It led to a very unpleasant Wall Street Journal article on my nasty behavior that forced me to change and apologize. A very tough and valuable lesson in my leadership journey, but I learned from it!

### **Number 5: Constructive change should be embraced across any organization.**

The Emerson team plays to win, but we must take risks and continuously evolve. Remember, calculated, smart risk-taking is one of the best ways to learn, grow and win.

The past 4 years have been filled with gut wrenching change and thoughtful strategic risk-taking at Emerson. A few years ago, my team and I were looking at the direction and performance of the company and we weren't pleased. We realized that there was a better way for us to organize ourselves to make the company stronger and better positioned for long-term growth and more relevance to our customers.

In the process, we created two strong global platforms and a unique One Emerson brand.

We then decided to sell 40% of the company to focus on the two global platforms, within our new Emerson vision. In the process, we went from a 25-billion-dollar company to a 15-billion-dollar company over 18 months. We impacted the lives of over 50,000 employees and their families as we divested these businesses! Talk about change and risk taking! This was not easy – it was gut wrenching – and it was a significant risk. But we believed it was the right thing to do for our company and its future, so we made the hard decisions and stuck with them, and it worked. But tough and continuous communications, and the intense effort by the remaining 70,000 employees of Emerson made it happen successfully!

Now, in 2018, we have started to rebuild our momentum and add new acquisitions and offerings to our two core platforms that make strategic sense and help us lead the global market – to be more relevant. The hard decisions paid off and Emerson's 45-billion-dollar market value today is higher with a smaller, more focused company.

I would encourage each of you to live in pursuit of the best solution, rather than accepting the way things have always been done. Don't live in the past.

In order to recognize those best solutions, paths or stepping stones, **always continue to learn and to drive change. This is lesson number 6.** Learn from others and pursue a better understanding of everything. Leadership is not something you achieve and then stay put. You have to work at it constantly each and every day, forever. If a leader, organization or company stagnates, then it will die and hurt others. So, continue to learn and grow to be a better leader.

Learn from your bosses, mentors and role models.

One of the most impactful to me at Emerson was Chuck Knight, who was CEO of Emerson for 27 years. He took the reins at the age of 37, which made him the youngest CEO of a billion-dollar corporation – talk about big shoes to fill in 2000.

He taught me and countless others to lead by using the best information available and to personally make the tough decisions. He expected us to use our leadership muscles every day to think critically and develop our skills to move forward and prosper through our successes. Chuck drove intense leadership, which I practice every day. Intensity, passion and love of the game called –Business, the best game I know.

I try to be my best every day, the very best, and I intend to do that until I start hurting or slowing down the Emerson organization to win. Then I must get out of the way for the next leaders. When I took over as Emerson's CEO in 2000, a WSJ reporter asked me a question on what I wanted to accomplish as the new CEO. I thought about it for a minute, then I said, "I want to leave Emerson and the world in a better place than when they were given to me as a new CEO, and then I will pass them on to the next leader as Mr. Knight did for me." That's all, and have a ton of fun in between!

I look into this crowd and see future leaders in all of you. So, get out there and listen to people, learn about the people around you, have confidence in yourself and instill confidence in your leadership, take action and, when it is appropriate, take smart risks to challenge the status quo in pursuit of something greater.

While you do all those things – always stand up for what is right – even if it is not easy. And it won't be. Trust me.

Thank you for having me, and allowing me to share my thoughts with you on this special day. It is a special honor to be here. Congratulations on this outstanding accomplishment, class of 2018 – you have earned it! And maybe one of you will be a CEO of Emerson in the future! Thank you.