

CONVERSATIONS WITH MIKE MILKEN



Ursula M. Burns

Former Chairman and CEO, VEON; Former
Chairman and CEO, Xerox

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Mike Milken: Ursula. Thank you for joining me today. It's a privilege to be able to visit with you.

Ursula Burns: I'm really happy to be here. And I'm happy to finally actually get to talk to you.

Growing up in New York City to a single mother who came from Panama, going to an all-girls school, as you think back today, how did those early years affect you as you look at the world today?

I think that it's impossible for me to imagine myself without thinking about where I grew up, the circumstances that I grew up in. They are the foundation of everything that I am; all the good and all of the bad.

When it came time for us to go to school, my mother had a couple of choices. One was to go to the neighborhood school, which was PS 118 in lower east side of Manhattan, or Catholic schools run by the Catholic church. Generally low tuition, you have to pay to go, but it wasn't anywhere near as expensive as private school. And in those two choices, it seems like the most obvious for my mother would have been to send us to a public school because she had no money at all. But if you saw the public school, knew the

public school, and knew my mother, you would see that she would figure out anyway, in her capacity to not have us go there.

I chose to go to an all-girl Catholic high school, one of the best schools in New York City, a parochial school, Cathedral High School. You test to get in, and when I got in that school if my mother could afford it, then that's where I would go to school.

I went to a public high school, 4,000 kids. In Los Angeles where I grew up we really didn't have private schools. You had Catholic schools and public schools. So people of varying economic background from poor to rich often were at the same school. We did not have a racial diversity where I grew up in the San Fernando Valley, but it was an economic diversity.

I went to Berkeley and then I came home in 1965 for the summer, and on August 11th they had the Watts Riots. I met a young African American man who told me no one would loan money to his dad who had great ideas for businesses because he was black, and that no one would ever loan money to him. I'm sitting there thinking - the building that one of my father's manufacturing clients had been burned that night and now he had no job. He was married and had a child and no savings, but he watched the building he worked in burn down. It changed my life because I believed in the American Dream. That night I got a lesson that the American dream was also access to financial capital. As you reflect on starting as an intern at Xerox and becoming the chairwoman and the CEO of the company, sitting on the boards of the largest companies in the world today and some of the most progressive foundations, what is it been like for you?

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Part of the challenge that I'm dealing with now is that this idea of the American Dream is one that as a black woman, I don't really participate in the same way that I would imagine that whites and men participate in. This American Dream is almost one that I reached for, but hate at the same time. It's a place that is so exclusive and so built against all odds for people like me, that I worry about being there. I worry about being identified as someone who has gotten there, because my question is 'what did I have to give up? How much did I have to support a sexist, racist structure to arrive at the point that I've arrived at?' I'm extremely proud of my accomplishments. I'm really proud of the hard work. But then I also look at people who are very much like me, who had as much hard work and intellect as I had and had zero possibilities; it's almost like luck.

We've gone through this already when you were 19 years old, when I was 19 years old, and when my kids were 19 years old. If we don't do something about this fundamental inequity, we're going to be sitting here, not you and me, but your children, my children, or grandkids, sitting and talking about the same thing because people who look like me, gender wise or race wise, are largely excluded from the American Dream.

I was in Sylvia's restaurant in New York with our Milken Scholars in Harlem in 1988. Reverend Jackson was running for the presidency of the United States. One of our Scholars turned to me and said, we're losing, we're losing because he had lost a primary. An older waitress working in that restaurant turned to her and said, 'no, we're winning. The fact that he's running for president means we're winning.' I think back to 20 years

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later with Barack Obama that what Reverend Jackson did in running for president set a stage at that point in time. And so you served on a number of efforts during that period of time when President Obama was in the White House. Take us back to that period of time, your hopes, your ideals, what you hope to achieve.

How fortunate I was to be where I was when this opportunity came available. He was elected president and I was made CEO within months of each other. There was a meeting that he called at the White House of CEOs. And I went to this lunch with him and three other

CEOs and he walked in and he grabbed me and hugged me and said, ‘Hey, sister’ or something to that effect. And I remember sitting there saying how in the world could I live long enough to actually be in the White House, right outside the Oval Office, with the president who looks and sounds just like my husband. We have a black woman and a black man and three white guys in the room and we're talking about the power structure of America and I'm one of them.

I was so proud and pleased to operate in the presence of a person who understood that he served as the president of the United States: every American, not just black Americans, not just male Americans, not just Democratic Americans, all Americans. We tried like hell to make it better.

I was really into STEM education. And I was really into trade and understanding that America is a force in the world. My parents were immigrants, so I was really into

immigration. And these three topics I really studied and got into a lot, and he called on me to help in these three areas. It was just such an amazing time.

Now a financial crisis hit Xerox. So they said, 'okay, Ursula, you are the CEO and we're in the middle of a financial crisis. Our stock is trading at the lowest it's traded in decades and the economy is weak ...

I love this. That's how most women get their job. Women CEOs generally take over companies when a company is in crisis. They've tried everything else, and they say, let's try the woman.

How did you rally your own employees at Xerox at that time?

One of the reasons why it was relatively easy for me to come in and lead at that point is Xerox is a scrappy company. It had had many near-death experiences by that time driven by technology, some of it driven by mismanagement I'm sure, but technology shifts, competition. I worked at Xerox from the first day of real work that I ever had, so I knew the company. I knew the people in the company and it was part of my blood. It was part of my family. I was made the president in 2007 and had two years of that. The CEO at the time was a woman named Anne Mulcahy. She is one of the most amazing leaders and one of the most amazing women that I know. So I was trained for two years to understand the real workings of the company, the structure of the company, how sales work. I was an engineer I ran procurement, I ran research, engineering, but I didn't sell anything and didn't know a lot about the outside world.

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So for two years, I got to learn more about how the company was structured, but also learn all of the parts of the business that I hadn't been involved in; but also to watch how she led and was able to determine how I wanted to lead. She told me, ‘Ursula, Xerox doesn't need an Anne Mulcahy. We already had that. We need an Ursula Burns.’ And it was one of the most amazing statements that sticks with me today. We need an Ursula now; we don't need an Anne. We needed to grit through some tough times. We needed to pull together as a company, strengthen ourselves, build a shell around us, to prepare for what we know is going to be really tough times, but keep our heads up and our eyes towards the future and perfect our internals so that when the world opens up again, we can be ready to fight.

You cannot give up the things that make you great. Great research. You cannot give up great selling, great customer relationships. You have to figure out a way to nurture those in this really difficult times, 2007, 2008, 2009, really bad financial times; huge amount of clamping down of large enterprise businesses, which is where our customer base largely was. But you have to do this in a way that you could survive and thrive. We're going to be offered the opportunity to make a big leap. We have to be ready for that.

We had the threat not of the economy, but of technology. When we came out of that two or three years later, everything was digital photography if you remember. We were one of the major suppliers of these large printing houses that did these photo books and the like. And then cell phones became truly personal digital devices. Even photographs

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became rare in a second. We basically lived our lives on these things and the need for paper and printed documents had so switched that we had to switch our business or we would have been half the size without even trying, and the only option we would have had would have been a part of the consolidation of the industry. You know, all printing companies come together and then we just live out for as long as you can live. I'm not a big believer that a company has to exist and all the people should go on and do something else. So one of the

questions that I had as a CEO was, ‘do we need to exist?’ And the answer was that we could actually improve business fundamentally, fundamentally improve the lives of our customers. And once we got ourselves clear on that, we've realized we're not a printing company. We're a company that manages complex business processes. I was on this mission for the rest of my time as CEO to re-position Xerox away from a printing and copying company towards a business process company. Not an easy thing to do, right? Not an easy thing when your name is the verb, right?

And I think that, I left the company in a better place than it would have been if I weren't there. I don't think I did everything right by any stretch of the imagination, but I was needed. I was needed at Xerox. I did a good job at it.

You've lived through this unbelievable digital revolution. What people sometimes don't understand, it's so hard to affect change. It's harder to rebuild than to build.

You're also on the board of Nestle, , the most valuable food company in the world. Sitting on the board of Exxon, the largest energy company in the world. Sitting on the

[board of the Ford Foundation, one of the largest foundations. You want change. Take us to these organizations today and see how they need to change and where they have changed.](#)

I'm currently on the board of Nestle, ExxonMobil and Uber. One of the things about all of these three public companies, and the Mayo Clinic of which I'm on the board in the Ford Foundation, is the world is changing. If you get the way the world is changing and make sure that you understand what the long-term actually looks like and what your role is and the goal of the company is, you have to actually progress. You have to move forward. You have to engage and move forward and make things better. You have to understand the core of the value of the company and you have to have a point of view about what kind of person you are and what you want to push for. This sounds strange from a board member. When I first became a CEO, it was a lot easier than today. CEOs of today have a really tough job. CEOs before was pretty straight forward. Here's what your goal is: maximize shareholder value; number two, maximize shareholder value; number three, maximize shareholder value.

Fortunately over the last 20 years, that's started to open up a bit. It opened up and it was like, my gosh, sustainability is probably an important thing. I mean I understand maximizing shareholder value, but we're kind of polluting the earth, right? It opened up a little bit. This thing about diversity and inclusion communities, this idea that we have more stakeholders than just the shareholder. So now CEOs have a very difficult job, one that is more interesting and exciting for boards as well.

The goal here is to have sustainable value adding institution. And if we can't do that, then somebody else should take the spot. Because it's not about getting out shareholders the most money only. We have stakeholders that depend on us. We have communities that we do business in that have police forces, that have citizens, that have schools. We have to be engaged more broadly than we were before. My mother said, you have to leave behind more than you take away. She said, the world can happen to you, or you can happen to the world.

And I got here because I work hard and I studied hard. I made it because people cared about me and they took care of me. You can grow up in a neighborhood like the neighborhood I grew up in. And if you grew up in that neighborhood, you are almost

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assured to be poor for the rest of your life, because you don't have access to good education. You don't have access to good healthcare. You don't have access to good food. You don't have access to good examples. That alone can't be the determiner of your success.

Ursula, you've raised some extremely important issues. Beginning around 2012, 13, I became very concerned about the direction of the country. The fact that where you grew up and where you live might be the determinant of your ability to achieve the American Dream and move up. Studies pointed out that if you were born in Charlotte, your chance of going from the lowest socioeconomic stratum to the highest in your lifetime is very low relative to if you were born in Salt Lake City. If you were born into the lowest socioeconomic level in Salt Lake City, you had a two-and-a-half-times the chance to move to the highest in your lifetime.

As you see the country changing and even the numerous organization boards that you serve on, how successful have they been to date to reflect the future America demographic in their management, their middle management, their lower management and their internships today? How successful have they been?

I think across the board there has not been a public company, including my own, that has succeeded at this. The only one that comes anywhere near close is Ford Foundation. They are a truly diverse organization structured from bottom to top. We are failing, literally. Look at the Fortune 500, go to the Fortune 1000. They are literally not diverse at all. They may have some women on them, but the rest, you can forget it. If you look at their management teams, most companies have a better board, more diverse board than they have with their C suite. Interestingly enough, two of the boards that I serve on have a more diverse board than they do the C suite. C suites are literally, totally men, all white.

When you walk into a company, everything looks like the non-white man should be able to walk in and just go to work. But the rules of the field that we're playing in, the referees on the field, the language that's used on the field, has been developed and refined and tuned towards white men. And we are now asking ourselves, these men, my God, how do we get, it was women, now it's my God, we have no black people on our boards. So I get a call every friggin' day, every day, every day. I love the calls by the way, so don't stop calling me. Can you help me and can you explain to what's happening here? First of all, don't you get it? This is a world ... it's a fake world that you set up for yourselves to play the game and win. This is not the way that God set it up. There's nothing about it that's special, except that you defined it. First of all, you have to understand that you have to understand that and start to be willing to take some of this stuff apart.

The biggest change has to happen in white people, particularly white men. They are so outnumbered today. I mean, 30 percent or less, and they're fighting like hell to hold on and building structures to hold on that are so going to be so damaging to the goodness of

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the country. I had a conversation the other day about board diversity. Somebody said, ‘you know, we have one black member on the board and we'd like some others. But you know, we are at 13. The next seat comes available in two years. So when that comes available, we'll bring another African American on the board. And I said to the person, I cannot believe the reasoning that you just gave me. Make

the board 15 members. Make it 20. Put seven more on. Ask some of the guys who are on there today to step down. You can do anything you want. If you really want to do this, you're going to have to give up something. The world is not zero sum. We have proven it from the beginning of time, from the first human. Every single day we have proven that it's not zero sum, even though we act like it. Oh my God, if we give that person a little bit too much food, we will have less. Never happened. We found that if you give people opportunity, the world gets bigger, not smaller; it gets him better, not worse.

Let's get engaged. Let's start talking about this. How are we going to diversify our boards? How are we going to diversify our management teams? How are we going to resupply our entry level pipeline? How are we going to work in a community to make it better? What are we going to do with schools? How are we going to work together? And still compete and try to put the other guy out of business. There are certain things we can work together on. In the last three weeks, four weeks, it's been amazing. I am really working to make it not stop because there's a chance that we can be better.

I think you have touched on it. I have seen the same thing and I think it starts with the coronavirus. Pharmaceutical biotech companies that were in competition with one another –who has the best product – they have opened their libraries. They've opened their patents today, realizing that we are one, and their best route is to solve this problem together. When I interviewed one of the chief science officers of one of the companies, he said he only has two competitors: time and the coronavirus. He wishes every single person well. You would have never heard that in a board meeting.

Absolutely.

I have found every CEO that I've interviewed saying they thought they were doing the right thing. They thought they went above and beyond, but they didn't, and now they

have to rethink it. And I think it's awakening that it isn't they and us. And we've had a couple people we interviewed who told us when the delivery truck arrives from UPS or DHL, they go out and thank the driver. It's even people we don't see; the person picking fruit or vegetables in the field ...

... killing those chickens that give us, you know, doing, working with these meat factories that had a big spike. They're doing it still today. They are the core of America.

I feel, at least at the top and the leadership, that a change is coming. If everyone is a product of their life experience, we have a different generation of leaders. You cannot compare Marc Benioff at Salesforce, with people from the past or the Google people who found that a company called do no evil as their model and or Tim Scott and Apple. They see the world differently. And I think this period, every country on the planet has faced this virus. Anyone on the planet can see the video of Mr. Floyd. Sometimes it takes an event and to paraphrase Winston Churchill, "Americans try everything else first, but at the end they do the right thing." I think that's where we are, and I share your optimism. I share your insight. And I share that fire inside your body that will effectuate change. I would love six months from now to sit down again and talk to you and see if your optimism and my optimism has actually filtered. This will be after the election in America. This year is the first time the people of Latin American ancestry, which is a larger population than African American, will be the largest voting group. As you and I understand demographics, it's only a matter of time between African Americans, Latin Americans and Asians, they will elect this group.

I do agree. I think the optimism thing is important. And I think the minute that the election is called in November, we will know what kind of America we aspire to be, and what kind of America we will be; whether we're going to be this inclusive, broad example country, or whether we're going to be a closed zero-sum exclusive country. I'm hoping that we're not ending that up there. I'm working to find a better America. I'm hopeful in that.

I want to wish you good health, and we will be looking at your report card of all these boards you're on, on how they change over the next years. Like your mother is with you every day, my father is with me every day. When I was a young boy, he told me there wouldn't be a good world for my children, his grandchildren and my grandchildren unless every child felt they had a chance at the American Dream. So I look forward to working with you to make that happen. All the best.

All the best.