A Degree in Optimism

Thank you, President Stewart and the faculty of Hamilton for this honor. It’s a great privilege to be included with your other distinguished honorees. Thanks for the bagpipes. How great was that?

And thank you and congratulations to the Class of 2010 and your families.

Over my career, I have worked with many accomplished Hamilton grads. My friend, AG Lafley is Class of ’69 and chairman of your board of trustees. He ran Procter & Gamble and is on the GE Board.

John Rice was a lacrosse goalie and Hamilton Class of ’78. Today he’s Vice Chairman of GE and responsible for our Healthcare, Aviation and Transportation divisions, representing almost $50B of revenue.

Ron Pressman was a Biology grad, active in student government and Hamilton Class of ’80. He’s a senior vice president responsible for our global commercial real estate business.

And, yes: a Hamilton grad puts together one of the funniest shows on television, which you can see only on NBC. That’s right. In 1989, a young man named Paul Lieberstein was sitting where you are, receiving his Hamilton diploma. And today, he’s ‘Toby in H.R.’ on The Office on NBC.

It is always nice to get an honorary degree because it is not that hard. You worked your butts off for four years to earn your sheepskin. I just showed up this morning, got off the “jitney” and I’m the man. Besides I got a “wicked” hood, like something out of a Lil Wayne video.

I am thrilled to receive a “Doctor of Law” degree from Hamilton. Lawyers have always frustrated me because they won’t let me do what I want. Now that I am a Doctor of Law, that all changes. So, let’s not tell anyone that you don’t actually have a law school.
I always like to do a little research on schools when I give a commencement address. For instance, I know that there is some concern about “Greek Life” at Hamilton. I guess the studying and poetry reading at the fraternities has gotten out of control … go figure!

But, the Hamilton Administration has finally won. Greece is bankrupt! It is being removed from all maps of Europe. The Greek system has failed. It is time to declare victory and move on!

I know that you have two great varsity sports teams. The first is women’s lacrosse; congratulations on two record setting years. The second is men’s streaking, who have managed to stay competitive in spite of the 11 months of winter in Clinton. Guys, congratulations on your accomplishment, but I’m not sure how that will look on your med school application.

I am honored to speak here today. First, as the CEO of GE. That may sound boring to you. Initially, you were probably hoping to get a younger person you could identify with to speak at your graduation: like Snooki, The Situation, Pauly D, or J-Wow.

There were some great speakers out there this year. For instance, President Obama spoke at Michigan. Oprah is at Duke. Sarah Palin is speaking at University of “Tea Party.” Ellen DeGeneres is the speaker at Tulane. And, Larry King is speaking at Clinton High School; no scratch that, he is just going to their prom.

I want you to know that it could be considered cool to have the CEO of GE as your speaker. First, Alec Baldwin plays me on 30 Rock; that is pretty flattering after all. I could sell you a diesel locomotive or fix your refrigerator. Can Bono do that? And, I can give you that old lecture that when you fail, just keep trying! After all, it was my idea to put Jay Leno on at 10 PM.

If none of these grab you, I would merely say: unemployment is high and GE will hire 2,000 college grads this year. That should get a round of applause from the development office, and a few parents.
Second, I am a proud parent, like all of you. I am the father of Sarah, Hamilton class of 2010. Sarah learned a lot about herself at Hamilton. She made many great friends here.

And, Sarah was quite active in student life. Perhaps you remember her as the President of the Justin Bieber Fan Club. And – parents – like your children, Sarah did teach me some great lessons over the years that I can share with you today, like: “get out of my room; you just don’t understand; or why can’t you be more like mom.”

Sarah will graduate despite walking across the Martin’s Way map. Maybe there isn’t a hidden frog after all!

At Hamilton, you were taught to think for yourself. That is important, because we are in a difficult moment in the history of our country. There is a great deal of economic anxiety unsettling our society. We need creative and independent thinkers.

I am an optimist. But I hope I’m an honest one. Honesty and optimism are not incompatible attributes. They are essential to each other. People who ignore reality to sustain their hopes for the future aren’t optimists. They’re delusional.

I know the future will be better than the past because I know Americans are problem solvers. I’ve learned from experience that free people don’t accept whatever fate hands them. They make their own destiny. They see problems as opportunities to make their lives, and their country, better.

So, for the sake of encouraging your reality based optimism; to give you a sense of your opportunities, and because it often seems the job of commencement speakers to scare their audience, let me make a few observations.

We have ended the worst financial crisis since 1940, and trillions have been lost in asset and housing prices.
Our competitiveness is challenged. The US does not rank in the Top 20 for high school education. We have a massive trade deficit. The Chinese are funding our debt, and will probably surpass the US economy in the next 20 years. At the same time, Europe is teetering on the verge of a financial meltdown.

Healthcare costs are about 20% of our economy, with an aging population that threatens to overwhelm us. We have a budget deficit that is out of control. And, now, your generation must pay for it.

And, our leadership is challenged. The popularity of politicians and business leaders is at an all time low. People don’t like the government, big business or any institution.

Man, these are heavy burdens. But I don’t mention them to discourage you. On the contrary, I hope they will summon your greatness. It’s important to remember in times like these that there are always times like these.

I graduated from college in 1978. High oil prices had pushed the economy into recession. Jobs were hard to find. There was great unrest in the Middle East. Americans were held hostage in Iran. The Cold War showed no sign of ending. The Soviets would soon invade Afghanistan.

In this country, the next generation can always become the Greatest Generation. Americans always have a sense the future will be better than the past because it is their responsibility to make it so.

People in the communities you will be joining are apprehensive. They are looking to leaders who share their resolve to take on tough problems; who have the determination to build long-term solutions, and the compassion to bring people with them; leaders who will appeal to their optimism, not their anger or fear.

Here are four lessons I have learned to help me navigate in these volatile times. You will develop your own as well. But values, like these, will allow you to do your best without losing sight of the type of person you want to be.
First, recognize that no task is beneath you.
Learning to enjoy common tasks with real people is pretty much the way careers are built.

In 1989, I was leading our appliance service business. We had a catastrophic failure of our refrigerators and we were required to replace 3M compressors. Despite my lofty title, I learned how to fix compressors. I would go out into peoples’ homes to fix compressors, so that I understood the problem. There is no better way to be humbled than for a math major to sit on someone’s kitchen floor while the ice cream melts. I didn’t have to do that, but I can’t tell you how much I learned by doing so.

In 1997, I was leading our Healthcare business. We wanted to build a business in China, and our sales were close to zero. I didn’t want to read a book about China, and our local team did not know GE. So I spent 3 weeks in China and visited 200 hospitals in 25 cities with the local team. At the end, we designed a product line and distribution process. Today we have a $1B healthcare business in China. I didn’t have to do that, but it helped me to understand the Chinese culture.

In 2004, we studied global warming to understand the science, its impact on our customers, and whether we could develop technical solutions. Despite the fact that – at this point – I had 300,000 people working for me, I wanted to develop my own sense for the issues. I spent my entire vacation studying technical reports and speaking with experts. I couldn’t delegate the analysis, I wanted to own it. I didn’t have to do that, but my firsthand knowledge is better because I did.

As I get older, I am more humble, and more respectful about life’s challenges. I know what I don’t know. But, I love learning … and I have learned that solving tough problems requires hands-on leadership. So get your hands dirty! When you “lead from the front,” people follow.
Second, know that solving problems requires passion and determination. I know your passion is the environment. The Class of ‘10’s senior gift is an Environmental Endowment Fund. This will fund student projects for sustainable initiatives.

I share your passion, but from a slightly different angle. I am not a nature lover. I have never camped, or planted a flower. Despite what I said about common tasks, I stopped mowing my own grass years ago. The closest I come to nature is playing golf.

I am, however, passionate about problem solving and innovation. I know that global warming and water scarcity are two of the biggest problems of our lifetime. At GE, we are determined to show that innovation can preserve the environment and fuel economic growth at the same time.

In Washington, and across the country, there is a lot of talk about energy security and the environment, yet nothing has happened. But talking about action is different than action … to do something, you must (well) do something!

At GE, we have made our own investments in clean energy. Since 2005, we have invested $10B to introduce 100 new technologies that will drive sustainability around the world. We are the world’s leader in wind, solar, batteries, clean gas, nuclear power and water desalination. We plan to invest another $15B in new innovation over the next five years.

By 2020, I am convinced that we can take control of our energy future. We can reduce our dependence on foreign oil, create jobs and reduce pollution. There is no reason why we ever need to witness environmental disasters again.

Passion means nothing without the courage to act. So be determined to solve problems. Be a dreamer, and a doer.
Third, align your success with helping others.
When I graduated from college, I knew I could compete for myself. But what I’ve learned over the last 25 years is that teaching teams to compete is a lot more rewarding.

My parents were great believers in education. My father used to say that a good education was society’s “equalizer.” It could make a poor man rich.

But there’s nothing intrinsically satisfying about success unless you share your good fortune with others. I don’t mean just charity, although that is important. The best gift you can give is to impart confidence to others, teaching them to compete on their own.

The bottom 25% in the U.S. make less today than they did when I graduated from college. Too many high paying middle-class jobs have left this country. And too many people with the advantage of a quality education from Hamilton or Dartmouth, don’t seem to care that opportunities for the less advantaged are fewer than they once were.

This indifference is at the heart of the anger in our country today. People say they hate Wall Street; but it is hard to explain precisely why because so few really know what goes on there. What they really feel is a sense that they have been left behind by the decisions and mistakes of others, and are powerless to do anything to change it. Nothing is more contrary to the American character than this kind of hopelessness, and we all have a responsibility to help remedy it.

Over my career, I have built businesses and factories in every corner of the world. Most recently, we’ve begun to focus more on building businesses and creating jobs in the U.S. We’ve opened a facility in Detroit that will employ 1,300 people. Unemployment in that region is almost 20%. Some people think it’s a hopeless situation. But we cannot give in to despair. We must reinvest in this country to make it great again.
We must align our faith in free markets with the cause of solving big social problems. About 70% of the world’s population lives without clean water. We have found ways to create clean water, inexpensively. And we are taking these products to rural villages around the world.

We do not live alone. Historically, the American dream was the product of individual success. However, the global economy will not tolerate a few people getting rich while many others stay poor. We need a generation of leaders who succeed by helping others to succeed.

Lastly, live with a spirit of optimism. These are obviously challenging times. The cynics seem to be winning and the world is in a bad mood. But if you give in to it, if you despair that nothing substantial can be done to improve our world, you will prove the cynics right.

Pessimists take whatever fate others hand them. They might complain about it, resent it, but they don’t believe in themselves enough to do anything about it. Optimists change things. Because they believe they can, and they have the guts to keep trying until they do.

I haven’t had a perfect career. Trust me, I’ve been criticized by the best of them. But I’ve discovered how to learn from failure. I’ve learned that self reflection precedes renewal for people, businesses and countries. I’ve decided that change is always possible, always waiting for people brave enough to make it.

My failures haven’t killed my curiosity, or shaken my determination to take risks and try again. I have changed over my lifetime, but I’ve never stopped trying to be the person I’ve always wanted to be.

In the fall of 2008, we were at the apex of the financial crisis. Every day, it seemed like the world would end. But I had responsibility for running a large company, with hundreds of thousands of employees, millions of customers and shareowners. And I had to take action a number of times on their behalf without as much knowledge as I would have preferred because we had to act fast, and I knew we had the capability to do it.
We’ve built trust in our company, trust that allows us to act quickly in
difficult situations. That trust is the source of our company’s optimism.

There are three essential qualities to building an optimistic spirit. First, **authenticity**. Be true to yourself. People relate to leaders that are
comfortable in their own skin. Second, **transparency**. It is not enough to
just tell the truth. You must be completely open in spirit and conduct.
Lastly, **unity**. The divisiveness of our recent past must end. People want
to unite behind a mission.

Today, you receive a college degree. But it is not your degree in
economics, or communication, or math that will matter most to your
success. Rather, it is your optimism and your confidence that will help
you live a life of accomplishment, service and problem solving.

We need people, who recognize that no task is beneath them; who dream
with determination; who align their success with the success of others;
and who live with optimism. I was sad at my graduation. I knew I would
miss my friends. I thought I would never have fun again. But believe me,
there are amazing days ahead!

For the last 28 years, I’ve had a career that has been interesting and fun.
GE has been around for about 130 years. Yet in a recent survey we were
named the 4th most innovative company in the world ... behind only
Google, Apple and Amazon. Why is that?

It’s because we are a working person’s company. By working together –
trusting each other, encouraging each other, learning from each other and
sticking with it – we’ve helped solve some of the world’s toughest
problems for more than 100 years.

I’ve also had a wonderful life as a husband and father. I know what a
blessing it is to have a great family life filled with love and good laughs.
No matter how important the work you do, it won’t give you the same
happiness that you have at home. I know we share our appreciation with
all the families here today.
Thank you, again, President Stewart and the Hamilton faculty. You’ve made Hamilton a place for our children to live and learn. On behalf of all the parents here, we are indebted to you.

To Sarah, I am proud of you. I love your humor and determination and stubbornness. You are my great friend. I have never said this in public … but, sorry about those five moves! I told you that you would turn out ok in the end!

The world awaits your leadership. Don’t waste it. Be confident. Be compassionate. Be brave. Believe you can do anything. Make the most of your advantage and your opportunities. The whole world depends on it.

Thank you, Class of 2010, for letting me be a small part of this very big day. Now go get ‘em!