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Leading in the 21st century: An interview with Ellen Kullman

Ellen Kullman

CEO, DuPont

Ellen Kullman says one of her toughest early jobs was watering plants as a young girl in Wilmington, Delaware. Her father, who ran a landscaping business, put her in charge of keeping the gardens beautiful at their family home. “That was the job I hated most: pouring water on those darn flowers,” she recently told *Fortune*. But she says the experience taught her a powerful lesson that has served her throughout her career: “If you don’t water it, it’s going to die.”

At DuPont, Kullman has shown she has a knack for making things grow. In 1998, she launched a safety consulting business that, within a few years, generated hundreds of millions of dollars in new revenue and today brings in annual sales of \$5 billion. For Kullman, watering “those darn flowers” means investing today for growth tomorrow.

Since Kullman took over as CEO of DuPont in 2009, she has stressed the need for constant reinvention and has pushed the 210-year-old company—which in its first century grew rich producing gunpowder and in its second morphed into the chemicals conglomerate that pioneered neoprene, Dacron, Lycra, and Teflon—to diversify into faster-growing product areas such as high-tech seeds, photovoltaic cells, and Kevlar body armor. DuPont, Kullman insists, isn’t just an American chemicals company; it’s a market-driven global science company.

DuPont’s transformation had a difficult beginning. In her first year as CEO, Kullman oversaw two painful restructurings, laying off 4,500 employees. But sales and profits have since recovered, and the company is making bold bets on the future. In May 2011, DuPont spent \$7 billion to buy Danisco, a Danish enzyme maker. The acquisition was the second largest in DuPont’s history, smaller only than its 1999 purchase of Pioneer Hi-Bred International, maker of genetically modified seeds. In late August, Kullman announced that she was selling DuPont’s paints business for \$4.9 billion to free up capital for further investments in priority sectors such as advanced materials and biotechnology. DuPont has dramatically increased the speed with which it introduces new materials used for solar cells, plastics, and industrial coatings. In this conversation with McKinsey partner Rik Kirkland, which took place in January of this year, Kullman argues that while changes in the modern global economy may pose new challenges for leaders, they also offer huge opportunities for growth.

McKinsey: *As you look at the world in which leaders of large, global organizations like DuPont must operate, what big changes do you see? Are there global changes that have forced you to rethink the way you lead?*

Ellen Kullman: These days, there are things that just come shooting across the bow—economic volatility and the impact of natural events, like the Japanese earthquake and tsunami—at much greater frequency than we’ve ever seen. You have to be able to react very quickly.

And the world is so connected that the feedback loops are more intense. Our supply chains are global. Our financial markets are global. So uncertainty in one part of the world infiltrates all parts of the world.

And then you have the global megatrends. You’ve got population growth and the world passing seven billion people last year, and the stresses that causes, whether it’s feeding the world, creating enough energy, or protecting the environment.

McKinsey: *How do you position your company to operate in that kind of world?*

Ellen Kullman: Well, DuPont’s a science company. We’ve been around for 210 years, and our focus has always been on using science to improve the world. Over the past five years, we have tried to match our focus, our research and development, and our capital expenditures up against these kinds of megatrends. At first, people—even our own people—thought we were talking about these megatrends just because we thought they were interesting. But I’ve said, “No, no. This is the future of the company. This is where we’re going. So we need to understand how our science relates to it.”

Ellen Kullman



Vital statistics

Born in 1956 in
Wilmington, Delaware
Married, with 3 children

Education

- Graduated with a BA in mechanical engineering in 1978 from Tufts University
- Earned an MA in management in 1983 from Northwestern University’s Kellogg School of Management

Career highlights

DuPont

- Named CEO (January 2009) and chairman (December 2009)
- Joined DuPont as marketing manager for medical imaging (1988); held a number of leadership positions, including head of safety resources and bio-based-materials businesses, group vice president for safety and production, and executive vice president for marketing and sales

General Electric

- Marketing manager

Westinghouse

(1978)
• Sales representative

Fast facts

Member of the board of trustees, Tufts University

Member of the board, United Technologies

No. 4 on *Fortune*’s 2011 list of most powerful women

McKinsey: *You have made some major shifts in how you allocate your capital.*

Ellen Kullman: Absolutely.

McKinsey: *Was that difficult?*

Ellen Kullman: We dealt with it business by business. But what's interesting is that people want to work on stuff that matters, where they think they can make a difference. It's not just about science any more. It's about how science relates to the world. I think kids coming out of engineering school get really energized by the chance to work on these kinds of problems.

McKinsey: *You're doing business in all kinds of new markets now. Has that changed your organizational structure or your approach to recruiting and developing talent?*

Ellen Kullman: As we came through the global financial crisis, we realized that we were too bureaucratic. We took out a whole layer of leadership. We consolidated into 13 businesses with clear missions. And we regionalized those businesses. We said we want strong regional leaders in Latin America, for instance, who can bring the needs of Latin America to the research table and the business table so that we can be successful in Latin America.

Agriculture is a very local market, so in 2009, we changed our structure to get closer to the regions and to our customers. We sought more localized innovation. Last year we opened up four new innovation centers outside the United States—in Brazil, India, Korea, and Thailand—and this year we'll open a couple more. We need to be in those markets to understand what's really going on, what needs they have, and how our science can help provide a solution.

McKinsey: *As your organization grows and becomes more diverse, how do you handle the communication challenge?*

Ellen Kullman: I spend a lot more time on communication than I used to—more time out at plant sites, in sales offices, with customers, in our research laboratories. I'm bringing my board to India in a couple of weeks to help them really see the issues we're facing. That's where I get my energy from. It's contagious. I come away from these engagements with ideas, energy, and a real sense of focus on where we as a company need to go. That's part of what drives me. □