



Marc B. Lautenbach

EDITORS' NOTE Marc Lautenbach assumed his current post in December 2012, and is a member of the Board of Directors. Before joining Pitney Bowes, he spent 27 years at IBM. Marc's tenure at IBM included senior positions, leading the consulting and systems integration business in North America, sales in the Americas, and leading the small and medium business globally. In addition, he held senior executive positions at IBM Asia Pacific. Lautenbach was elected to the Campbell Soup Company Board of Directors in June 2014. He is also a member of Catalyst, Inc., and a member of the Board of Trustees at Denison University. He graduated magna cum laude and Phi Beta Kappa from Denison University in 1983, and went on to receive an M.B.A. from the Kellogg Graduate School of Management at Northwestern University in 1985.

COMPANY BRIEF Pitney Bowes (*pb.com*), a global technology company, powers billions of physical and digital transactions in the connected and borderless world of commerce. The company enables data-driven marketing, parcel shipping and logistics, and statements, invoices, and payments through data management and engagement software, location intelligence offerings, and shipping and mailing solutions.

During an investor presentation, you said Pitney Bowes is helping clients unlock their potential. Would you touch on what that means?

In the 1920s, the company was founded around the mail meter, which was intended to facilitate or enable commerce.

If you think about what a mail meter is at a simple level, it's a device where you put money in and you get postage out.

For almost 100 years now, the company has been working in the field of commerce, endeavoring to simplify that world, albeit in a fairly narrow context, to help our clients in that world of commerce.

When you look at the awareness of Pitney Bowes from a product point of view, is its broader mission understood?

The Technology Company for the World of Commerce

An Interview with Marc B. Lautenbach, President and Chief Executive Officer, Pitney Bowes

Pitney Bowes is well understood as a company that has something to do with mail. Our challenge, as we move the company forward, is to have people think about Pitney Bowes in all of the different dimensions that it encompasses.

How do you define Pitney Bowes in terms of its broad capabilities?

I think of Pitney Bowes as a technology company, but I'm not sure that has been well understood. If you look at some of the core technologies in the meter, there are some fairly sophisticated technologies there.

What are the most significant innovations taking place within the company? Is it more on the product or service side?

When I was new in the role, I sat down with several of my predecessors and asked them what are the things that we should not change as we transform the company and move it forward? They all had the same answer to that question: innovation is at the very core of Pitney Bowes.

Coming from IBM, that wasn't necessarily my impression walking in. The benefit of having been at this company for almost two years is that it has become clear that it's entirely authentic to what the company is.

As we're thinking about innovation going forward, we're thinking about it in three dimensions. The first is around product innovation, and you can find examples of important product innovation in our hardware, software, and service businesses. We're also thinking about business process innovation – how work gets done inside of our company, all the way from our back-room processes to our sales processes to our marketing processes. Finally, we're thinking about business model innovation. Every one of these dimensions is very important and substantial work is going on in our company to innovate in all of those areas. This is backed by a focus on delivering value for our clients, and not just invention for invention's sake.

Does your client focus run the gamut from large to small companies?

I have a deep, soft spot in my heart for the small and medium business marketplace.

When I originally thought of Pitney Bowes, and especially of our mail meter business, it was most ubiquitous in small and medium businesses.

On top of that, we have a client list of enterprise-class Fortune 500 clients that would be the envy of any company in the world.

What will be the strongest growth platform for the company in the future?

What I'm emphasizing most as it relates to growth is our digital commerce business. We've identified three pillars of our strategy: the first is the stabilization of the mail; the second is operational excellence; and the third is growth in our digital commerce business.

When I arrived here, our digital commerce business was about 15 percent of our revenue. As we exited the second quarter of this year, we were between 22 and 23 percent; and that business has continued to grow at a rate of over 20 percent for the past several quarters.

So we're innovating in the digital space, but the interesting nuance is, as we're thinking about that space, we're not thinking about the physical world and digital world distinctively; we're thinking about how these two worlds can come together to drive value for our clients.

The growth will be more in the digital space, but what is unique about Pitney Bowes is that we have a solid footing in each camp.

How critical was it to engage the employees in the transformation?

What is truly distinctive about Pitney Bowes is that the employee base was very ready for change. In many instances, they knew what the changes were that needed to take place, but just needed a little bit of help in terms of affecting that change. It's been a tremendous asset as we've transformed the company to develop an employee base that was so ready to not just participate in the change but, in many instances, lead the change. Our employee base is one of our most important assets along with our great client relationships.

Is it critical that the diversity of your workforce mirrors your client base?

It's critically important to have a diverse workplace, not just because it matches the market but because it affords you a different perspective, which makes decision-making better and richer.

How critical is corporate engagement to the culture of the firm?

Community involvement is the right thing to do. Corporations have benefitted greatly from being in the communities they're in, so it's only appropriate that they're good corporate citizens.

Having good relationships with the communities and governments also ensures that you have the freedom you need to run your business.

It's something that is deeply ingrained inside the culture of this business and you see it enacted around the world. ●