

## Life Lessons

### An Interview with L. Dennis Kozlowski

**EDITORS' NOTE** Dennis Kozlowski began his career serving in various management positions at SCM Corporation in New York City and Cabot Corporation in Boston. He joined Tyco International in 1975 at a time when the company had \$20 million in revenue. Kozlowski was appointed Chief Operating Officer of Tyco in 1989 and became its Chief Executive Officer in 1990. Under his leadership, Tyco grew to over \$40 billion in revenue and a market capitalization in excess of \$110 billion. Kozlowski received his BS in business administration from Seton Hall University and received a doctorate of business administration from the University of New Hampshire, *Honoris Causa*, and Roger Williams University.



L. Dennis Kozlowski

**You grew up in Newark, New Jersey, with modest means and worked a number of jobs throughout your youth. How did your childhood shape you?**

It was great to grow up in New Jersey in the late 1950s to mid-1960s. It was a very diverse area, and I was able to meet people from all walks of life. Newark was an industrial city, so as a young man in high school I was able to find jobs and worked my way through high school and college. These jobs provided me with mentors who were significantly influential. They taught me that success meant doing your best and being the best at what you did, as well as having a willingness to take risks. These were lessons that stayed with me throughout my career. My experience in Newark showed how very important some of the big issues are that

grip our country today – job creation, technology development, race relations and more. Throughout my life I have worked to create jobs and to develop technology at virtually every turn. It has been important to me to make sure that everyone who has talent, regardless of race or any other factor, has the opportunity to advance their interests.

**Do you feel that the ability to take risks and be entrepreneurial is something a person can learn?**

Absolutely. I have tried to teach entrepreneurial skills a lot over the past 30 years. The result? New businesses have been created, careers have been developed, and opportunities have been provided to tens of thousands. I believe that there are some innate abilities for people who want to be entrepreneurs, similar to having innate abilities to be a successful musician or athlete. I think there is an innate willingness to take risks, turn an idea into something tangible, and to be able to adapt and be resilient.

**You started your career at Tyco as an accountant and went on to become its chief executive. What were the keys to your success?**

I attribute my success to lessons I learned early on such as to truly understand your product and your customer. It was also clear to me that successful people get along well and support others in their organization. This is something I have worked hard at. I became involved in the various businesses we had. I would go to trade shows, listen to our customers and study the competition in order to analyze what we needed to do to improve. As I grew in the company and became CEO, I was

able to find and hire great talent, which changed my role from that of running a business to one of running an enterprise and supporting our people. We looked for people who were smart and willing to take risks. We were highly decentralized, seeking good people who could lead our growth as we focused on having products that were number one in their categories. Our ability to attract great talent to the company was due to our willingness to let them run their businesses and make decisions. I saw my job as motivating and supporting those people in order for them to be successful.

**Was it challenging for you to transition from a hands-on executive running a business to being a CEO who needed to delegate to others working in the organization?**

One thing I learned in my career was that nobody came to us to sell their company because their business was doing well. Typically, they came because they had issues in the company, and often the founder of the company had never effectively filled his own position as the company became larger. I think that a lot of people who move up to the C-suite fail to do a good job of filling in behind them. I wanted to make sure that I was filling in with people who were highly capable, highly motivated and were able to do their jobs effectively. It took time to build the team, but once we did, we had a deep and talented group of executives who were responsible for growing the company.

**In retrospect, what do you see as the factors that led to the problems at Tyco?**

We were put on a pedestal. This was during the 1990s when CEOs were in the spotlight. We were viewed as the leading company in the S&P 500 by one business magazine's

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criteria. We were sought after. Once the markets turned downward in the late 1990s/early 2000s, CEOs went from being praised to being something else. At this time, Enron, WorldCom, Global Crossing and other hot companies that went bankrupt. Tyco was different from these other companies even though it was grouped with them. Any investor who put money into Tyco at the beginning of my management tenure at the company and stayed throughout my time leading Tyco, made money. Tyco was a strong company and continued to be a strong company after I left, but we were caught up in the whirlwind of these other companies that had failed at that time. There was a lot of misinformation that was being put out during this time about both the company and about me personally, which caused a lot of pressure for the company. For instance, there were front page stories in newspapers about Tyco doing things that we never did and which were completely false. We would approach these media outlets to explain that their information was incorrect, and a week later they would publish a correction somewhere buried in the back pages. Of course, that did not correct the damage that already had been done.

**Did this difficult experience change you?**

I prefer to say that it taught me who my friends were, as there were people who stuck by me and supported me throughout this difficult time. They had my back and were highly supportive through my two trials and have continued to be supportive to this day. I was not going to just sit back and feel sorry for myself. I was going to try to grow from this. I wanted to do something good for others and helped to

develop a GED program. I thought about criminal justice a lot and joined a group called the Fortune Society, which I now chair. It helps thousands of people every year get on their feet when they come out of incarceration. I would say that where the experience changed me is that it had me take my talent and energy and put it into helping a group of people that I had previously not really thought about while I was a CEO.

I stayed positive during this time and became closer to my family, loved ones and friends and was determined to become a better version of myself. I am now spending a lot of my time mentoring young people in business and am involved in a few businesses, typically in healthcare or technology or some combination of the two. I try to share with young people things that I have learned along the way in order to help make them successful.

**What are your views on the need to reform the criminal justice system?**

The system is totally broken. We are taking people and warehousing them. We do not provide any training or support to allow people to get back on their feet after they serve their time. Many of the people who are incarcerated should not be in jail. While there is clearly a purpose for jails, and there are people who are a threat and risk to society, many of the people in prisons are not a risk and once they end up incarcerated their hope is lost. The system is setting people up for failure. We need to do more to create alternatives to incarceration, and alternatives for those that are incarcerated. We need to do more in terms of training and getting them to be productive members of society. This is the focus of the Fortune Society and why I decided to get involved in the organization.

**You mentioned finding out who your friends are during challenging times. What did this teach you about people?**

It gave me confidence in the fact that I had true friends that had my back no matter what. Having said that, of my hundreds of acquaintances, I can count my true friends on probably two hands. The people who were most dependent on me and that I did the most for actually turned their backs on me quickly, in some cases for their own self-preservation. It was a real lesson in friendship and there were surprises along the way. People became true friends who I had not really known were true friends, and people that I expected to be there for me were long gone. You really don't find out who your true friends are and who you can count on until you really need them.

**What advice do you offer young people who are concerned and unsure about the future?**

I tell them that whatever they do, they need to approach it with a passion which makes the journey much easier. You also have to stay optimistic and remember that winning and losing are both temporary states. You need to engage in social interactions and get away from the technology from time to time. It is also important to maintain close relationships with your loved ones, family and those that are important to you in your life. You should also not forget about giving back to your community since no matter what shape you are in, there are people who are in worse positions than you are. Stay focused on the present – there is nothing you can do about the past, and you never know what the future will be. ●

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