

What CEOs Are Saying About Covid-19, Leadership and More

The leaders of Microsoft, Exxon Mobil and UPS, among others, describe how business is evolving during the coronavirus pandemic

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From left to right: Exxon Mobil CEO Darren Woods, Match Group CEO Sharmistha Dubey, United Parcel Service CEO Carol Tomé, Boeing CEO David Calhoun

PHOTO: FROM LEFT: AFP/GETTY IMAGES (2); STEVEN ROSENBUCH/WSJ; BLOOMBERG NEWS

This is what some of the world's corporate leaders have said recently on issues ranging from Covid-19 to the evolution of tech.

POST-PANDEMIC



PHOTO: JOHN NACION/ZUMA PRESS

Clorox Co. CEO Linda Rendle :

“Simplification is our mantra, and we’re seeing the benefit of focusing on fewer [stock-keeping units], which we expect to continue beyond the pandemic.

We’ve taken the opportunity to simplify our portfolio to help us run faster in many of our businesses, and that’s panned out really well for us—actually, really well for retailers. And so they’re going to continue to drive simplification.” (Feb. 4)

Peloton Interactive Inc. PTON -1.83% President William Lynch:

“What’s clear is the shift into the home is not a Covid-led phenomenon. It has accelerated it. But we see, if anything, as we emerge to whatever the new normal is that the norms haven’t changed. There is a secular shift into fitness in the home.” (Feb. 4)

United Parcel Service Inc. CEO Carol Tomé :

“We don’t think e-commerce sales as a percentage of retail sales will decline, which means continued supply and demand imbalances.

“[Retailers are] hoping that their stores will reopen because they’ve got a huge investment in that real estate, of course. But from a demand perspective, there’s no one out there that thinks that the demand is going to change. We were in a new normal. Even my relatives who are older are shopping online, before they would never do that.” (Feb. 2)

Chipotle Mexican Grill Inc. CEO Brian Niccol :

“There’s still a lot of unknown. Luckily every day seems to be better with the whole Covid issue, both vaccine rates seem to be going up and Covid cases seem to be going down, and luckily less and less people are ending up in the hospital so I’m optimistic.” (Feb. 2)

Chevron Corp. CEO Mike Wirth :

“Energy is the lifeblood of the global economy, and reliable, affordable energy will be fundamental to the recovery from the pandemic in the short term. And in the longer term, it will be fundamental to lifting people out of poverty around the world, and we have to remember that. And today’s energy system is not the enemy. Lower emissions are what we should be focused on. And that’s what we as a company are focused on.” (Jan. 29)

United Airlines Holdings Inc. chief commercial officer Andrew Nocella :

“Demand will increase sharply at the point where vaccines have been widely distributed, and border restrictions are eased, and not prior. Expect that in the second half of 2021, possibly sooner, if vaccine distribution improves. Leisure demand will recover quickly, likely in a few months, driven by pent-up demand following the vaccine. Business demand will take 18 to 24 months to recover.” (Jan. 21)

Starbucks Corp. CEO Kevin Johnson :

“As markets around the world work tirelessly to vaccinate billions of people, we are prepared for what can only be described as the great human reconnection.” (Jan. 26)

Boeing CEO David Calhoun :

"We're encouraged by the speed of vaccine development and efficacy rates. These trends bolster our medium-term outlook and support our belief in the long-term trend....We expect it will take around three years for travel to return to the 2019 levels and a few years beyond that to return to our long-term growth trends." (Jan. 27)

ECONOMY



PHOTO: CALLAGHAN O'HARE/BLOOMBERG NEWS

Exxon Mobil Corp. XOM +0.21% CEO Darren Woods :

My expectation is the second half of the year will look a lot better than the first half. But exactly where we end up on that bar [of how quickly fuel demand recovers], I think it's tough to tell. I think eventually, we'll get back there, if not back into this year, sometime into next year and potentially see an overcorrection.

"It's not a question of if that's going to happen but when...and our view is, we should recognize it's coming but not build a plan based on the hope that it does. (Feb. 2)

Caterpillar Inc. CEO Jim Umpleby :

“We do expect 2021 to be a better year than 2020 for us. We expect higher sales, but just given the uncertainty around the pandemic, the rollout of the vaccine, the resulting impact on the global economy—although we expect it to be a better year—it’s difficult for us to quantify how much better it will be just based on the pandemic.

“It isn’t so much a concern about downside as it is uncertainty as to how much better things will get this year.” (Jan. 29)

McDonald’s Corp. CEO Chris Kempczinski :

“Concern for economic uncertainty is by far the single-most, single-biggest concern that exists with our consumers, which again gets back to why we think affordability is going to be one of the things that all of us need to stay focused on in a prudent way in 2021.” (Jan. 28)

Mondelez International Inc. CEO Dirk Van de Put:

“We are in a category like McDonald’s, where when people have more disposable income, our categories benefit. We see it in our sales almost exactly when consumers get their stimulus checks.” (Jan. 28)

Boeing Co. Chief Executive David Calhoun:

“In the commercial market, while many of our key long-term fundamentals remain intact, we continue to see near-term market pressure due to Covid-19.

“Despite solid progress on the vaccine front, the next six to nine months will remain very challenging for our airline customers and the entire industry. Covid-19 case rates continue to be high, and travel restrictions remain in place, putting significant pressure on passenger traffic.” (Jan. 27)

FUTURE OF WORK



Microsoft CEO Satya Nadella

PHOTO: KYODO NEWS/GETTY IMAGES

Kilroy Realty Corp. executive vice president Rob Paratte:

“The conversations we’re having with our tech clients and other large tech companies are: Some have advanced plans to begin opening in...mid-2021, when they were actually looking at the end of 2021. So I think there is a lot that’s going to unfold here in the next three months to four months.

But I personally just think you can’t make a film at home. You can’t collaborate on software or a complex problem solving from home. And so, as we said, there are going to be various times people are working from home, but you’re going to have large teams needing to be in office space using the technology that office provides. (Feb. 1)

Microsoft Corp. MSFT -0.79% CEO Satya Nadella :

“There will be more flexibility in terms of time, where they work, even the sites people work because I think the expectations have changed. We’re obviously not going to have the same constraints going forward, so I’m not at all assuming that we just remain as is all the way going forward. But at the same time, there’s no return to January of 2020. So, therefore, what I think is key for us is to really maintain flexibility.

“We have laid out our policies, which give more flexibility. And it will be different by function, different by geography, different in time. So that’s how we expect essentially work to evolve.” (Jan. 26)

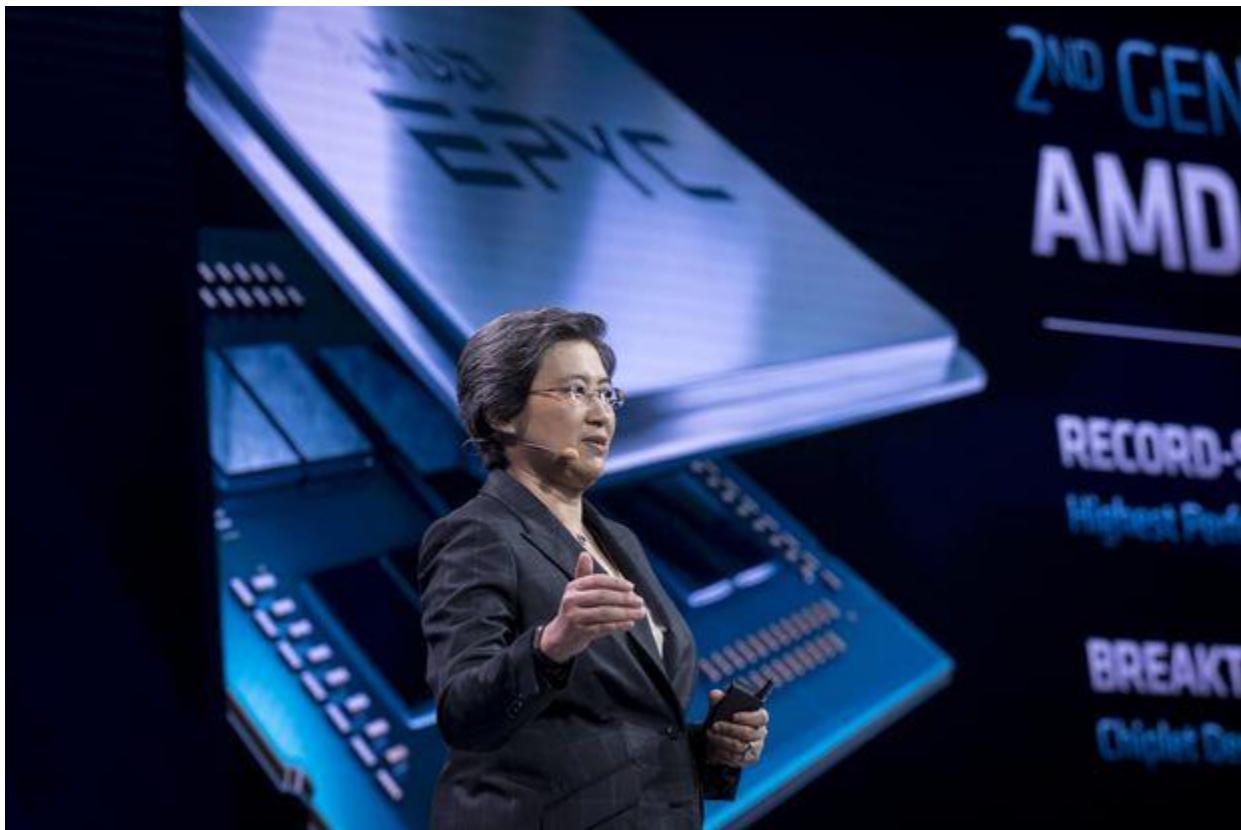
W.R. Berkley Corp. CEO W. Robert Berkley Jr.:

“We are actively looking at what does return-to-work look like for us. We certainly expect that people will be back in the office, but will the travel be the same? Or will there be opportunities to learn through this period of time where maybe travel will not have to return to what it once was? (Jan. 26)

BankUnited Inc. CEO Rajinder Singh :

“We still are working remotely, and we expect to do that for at least the next two or three months, and then make a decision beyond that at that time....The strategy going forward, again, we’re waiting very anxiously for economic activity to pick up and for us to start participating in the next business cycle, which as we speak is beginning right about now. (Jan. 21)

EVOLUTION OF TECH



Advanced Micro Devices CEO Lisa Su.

PHOTO: DAVID PAUL MORRIS/BLOOMBERG NEWS

Match Group Inc. CEO Sharmistha Dubey :

One thing I do see that 2020 has done, in particular, is a real step-change in user behavior, not the least of which is how much of our lives and activity has moved online. And while I do think as the world gets back to normal, some of this online/offline behavior will rebalance, but parts of this online shift is definitely here to stay. (Feb. 2)

Snap Inc. CEO Evan Spiegel:

"We see a tremendous opportunity to innovate in e-commerce, which to-date has been largely driven by utilitarian benefits such as price, selection and convenience. As we have learned from our progress in providing new ways for people to try on and interact with products using augmented reality, improvements in the shopping

experience to make it more entertaining and immersive can lead to powerful downstream results in terms of conversion. (Feb. 4)

Advanced Micro Devices Inc. CEO Lisa Su :

“In the last year, we have all seen firsthand the essential role high-performance computing now plays in our daily lives, and we expect adoption to accelerate over the coming years as we enter a high-performance computing megacycle, driven by the growing adoption of cloud-computing services, accelerating digital transformation of industries and experiences, the transition to exascale supercomputing, and the mainstream adoption of AI.” (Jan. 26)

Microsoft Corp. CEO Satya Nadella:

“What we are witnessing is the dawn of a second wave of digital transformation sweeping every company and every industry. Digital capability is key to both resilience and growth. It’s no longer enough to just adopt technology. Businesses need to build their own technology to compete and grow.” (Jan. 26)

LEADERSHIP



Merck CEO Kenneth Frazier

PHOTO: EVAN AGOSTINI/ASSOCIATED PRESS

Merck & Co. CEO Kenneth Frazier :

“The problem with large transactions—and I think if you look at the history of this industry—is that they are really difficult for our research organizations to respond to and recover from. And so that’s the main reason I oppose those mergers is because I think they’re highly disruptive.

And then at the end of the day, when you get through your cost synergy, you still either have a pipeline or you don’t. And what we’re focusing on right now is developing that pipeline. (Feb. 4)

Tesla Inc. CEO Elon Musk :

“I expect to be CEO of Tesla for several years, so I think there’s still a lot that I’m super excited about doing, and I think it would be hard to leave a lot of these great projects halfway or part way done. So I do expect to be running the company for several years into the future. Nobody is or should be CEO forever. So I don’t expect to be.” (Jan. 27)

International Business Machines Corp. CEO Arvind Krishna :

“Since I became CEO, I’ve talked at great length about the importance of culture and the need to instill a growth and entrepreneurial mind-set. As part of that, we are encouraging more business risk-taking and ensuring a higher tolerance for failure across the business. This should allow us to more quickly respond to clients, seize more opportunities, and drive better business outcomes.” (Jan. 21)

PRESIDENT BIDEN



President Biden in the Oval Office after his inauguration on Jan. 20.

PHOTO: CHIP SOMODEVILLA/GETTY IMAGES

Mondelez International Inc. CEO Dirk Van de Put:

“The business friendly tax measures we hope will remain...We want to be careful with the requirement of most countries to pay for their stimulus, will they try to pay for it with higher taxes? That’s our biggest worry.” (Jan. 28)

American Express Co. CEO Stephen Squeri :

[On the possibility of increased banking regulation under President Biden] “Well, it’s kind of hard to figure out at this point what they will do, what will be done from a consumer regulation perspective.

“We will comply, and we will do what we need to do. And I don’t think it’s going to be a major deterrent to us running our business in any way. I mean, look, have we added more compliance people over the years? Yes. Do we spend more time with regulators? Yes. Could that be more? Yeah, it could probably be more. But when you

think about the underlying economics of our business, I really don't think it's going to impact our spend." (Jan. 26)

Steel Dynamics Inc. CEO Mark Millett :

"I don't see the Biden administration changing the trade environment materially, at least not in the near term. They recognize that China is a massive threat. Their approach [to China] might be different than the Trump administration. They will likely ally with our friends in Europe and in other places. But I think they will be very cognizant that there needs to be trade controls. And there are underlying legislated trade constraints in place that aren't just an executive order. They're going to be there for years to come." (Jan. 25)