

Boyles Distinguished Lecture
Featuring Mr. David Carroll, Wells Fargo
Transcript from March 24, 2016

"It's really a privilege to be here.

Good Morning, and again, Dean Norris, Chancellor Everts, thank you very much for being such gracious hosts to me earlier this morning. And John, I only wish I were about 1/10th as accomplished as your overly kind introduction. My mother would have really enjoyed that. I am grateful to be here, and to be your 57th speaker. I'm a little bit in awe of the fact that, looking at your past list of speakers that you've had here before, but honored to be here to speak in memory of Harlan Boyles, a man who gave 49 years of his life to public service in our state. Lastly, I want to thank our students, the faculty, staff, and other interested members of the school who went through the trouble to join us this morning.

When I was asked to speak this morning, I immediately began to ponder, 'Gosh, what could I say that would be of interest or even any use to such an important audience?' And I did go back and look at some of your past speakers' to see what they covered and it was a wide range of topics that included speeches on leadership or their career or their industries, and I will confide that the last time I tried to give a speech on my industry or my career, I worked up this great masterpiece of a speech and the night before I decided I wanted to practice on my wife and so she sat down, and we were in our pajamas, and I got about three minutes into this, I was really doing great, and I looked up and my wife was asleep. That's a true story. So, instead of something like that, I thought I'd do something a little different and my remarks today are primarily intended for our students here, and there may be some pearl in there for others, but it's primarily directed at the students. So, what I thought I'd do is share a few thoughts about the world that you are going to go into when you leave this wonderful place here at Appalachian, and a little bit of simple advice on how to make the most of whatever you are passion is or your endeavors are hereafter. Now, no doubt, most of you have heard the old expression, 'May you live in interesting times' and I think that's actually an English adaptation of a Chinese proverb. And, indeed, we do live in interesting times. If you think about what's going on on the world stage today, we have a European refugee crisis unparalleled since WWII. We've got wildly fluctuating energy prices, it's good for drivers and very bad for the energy industry. We've got mass shootings and terrorism, in all over the world and even in the safest of locals. We've got a sputtering global economy, and we've got nuclear threats from North Korea and Iran. We have volatile financial markets, and we have lopsided demographics, if you will, we have a large and growing concentration of older people in developed and wealthy countries, and we have a fast growing population of very young people in lesser developed, poorer countries. In the United States, we've got a thaw in US-Cuban relations after 60 years of entrenchment. We've got historically low interest rates, which is very good for borrowers and very poor for savers. We have ongoing racial tension and unrest all over the country, here in the 21st century. We have slow economic growth, incoming equality, financial market volatility here at home, and presidential politics, it seems it never goes away, the unending, rancorous campaigning and

political polarization on the airwaves everywhere you turn. In the business world, in the workplace, we have increasing diversity, finally. We have a fever-pitched pace of business today, and it seems to grow faster and faster every year. We have a demographic shift in the industry as the reigns are being handed off from my generation of baby boomers to millennials and in turn to the gen-Z, or the centennials, thereafter. We have a rise of the gig-economy, if you're not familiar with that, that's people that go from one gig to the next and it's a far cry from the man in the grey flannel suit. And we've got the acceleration of innovation and technology that is changing everything about business and our daily lives. Those are all forces at work out in the world that many of you are about to enter.

Now, it may strike you that I good bit of what I just rambled on about didn't sound all that positive. In fact, it could be a little scary and a little foreboding. And I could just as well have mentioned the fact that mankind has never in history enjoyed today's level of prosperity. The improvement of infant mortality, the 10s of millions of people that have been brought out of poverty in the last 20 years in China alone and other parts of the world. The relative peace that the world enjoys today in spite of what's going on in the Middle East compared to the norm in the long arc of history. And the number of people globally that live in freedom and have access, because of the advent of technology, to information and knowledge, it's really impressive in history. So, when you think about all that, I can only see one constant through all of that, across the world, here at home, in the business world and it's change. And that's not a profound notion, and I don't propose it to be. But I challenge you to think about change because we all tend to look at the world as it exists today and extrapolate that out into the future, and it's simply not going to be the case. So whatever you know and enjoy and are comfortable with today, enjoy it today because it's going to be very different tomorrow.

When I graduated from college, a long time ago, the two largest industries in NC, by far, as measured by revenue, by employment and profitability, were textiles and furniture. And for all points, they're extensively all gone now, completely. When I started my career at Wachovia in 1979, there were over 15,000 banks in the United States, there's less than 5,400 today, massive consolidation. I went to work for a small regional bank headquartered in NC 36 years later through hundreds of mergers, we've grown to become the third largest financial institution in the country and the most valuable financial institution in the world based on market capitalization. And as much as I'd love to reveal you with all the changes that I've seen, by the time you get to my point in life, I think you will have seen much, much, much more change.

So, my comments today, you might put them in the category of making and keeping yourself relevant in today's world. I do want to remind you, and again I'm speaking mostly to our students here, you've already seen a great deal of change in your life. Let's just take a 10 year snapshot...

Go back to 2006, when many of you in school here were in middle school, Facebook was in its infancy. Facebook was then two years old and it had an unbelievable 12 million active users. The average interest rate on a 30-year mortgage was about 6 ½%. Uber didn't exist, and most people had never heard of the word. No one owned an iPhone because it hadn't been created

yet, and China was the world's 5th largest economy and far-off the front page of every newspaper. Today, in 2016, ten years later, Facebook has 1.5 billion daily active users and growing exponentially still. The current interest rate on a 30-year mortgage is about half of what it was ten years ago, and since its founding in 2009, Uber has delivered 1 billion rides and growing exponentially also. Apple has sold 700 million iPhones since it was created in 2007, and China is the second largest economy on the planet and projected to surpass the United States by 2027. So, that's history, and the question for you should be, 'What can I take from that? What will be useful for me? Because I enter the working world or whatever I propose to do with the rest of my life.' I just challenge you to accept the notion that change is probably going to accelerate. You will see radical change over the course of your life, and the rate of change will increase. And by the way, today, tomorrow, the next year, 10 years ago, 30 years ago, there will always be a stake in negative, scary, foreboding headlines. It's the nature of the world, that's what's called opportunity and all of those things that are scary, negative, or questionable or uncertain, that's where opportunity is born.

You're going to need to be nimble enough to adapt and to change over and over and over. So, I remember when I graduated from UNC Chapel Hill, I felt like, 'I'm really ready, I went to a good school, I worked hard, I did reasonably well, I am ready.' And the older I get the more I am in touch with how very little I knew when I got out of school. Not that I'm suggesting that you don't know a lot, but I will suggest that your learning isn't over, studying is not over, testing is not over, it's just beginning. It's going to look very different though.

So, there's a handful of things that I've observed through trial and error, and watching others over the span of my career that come to mind that I think could be useful to you as you navigate a very challenging, changing, and exciting world ahead of you.

And the very first thing that I challenge you to think about is to be well read, to be well read. You should read multiple periodicals: newspapers, magazines, online publications, and at least one, and probably more, should be foreign in origin. The world has become a very, much smaller place. I love to read, among other things, The New York Times, Wall Street Journal, The Financial Times, and I love to see the same news items in all three, but you get a distinctly different flavor from each of the three. But in this day in age, with the proliferation of electronic media, you have no excuse to not be well-read. And, so, I would challenge you to develop the discipline to keep up with and be adept at building literacy in your career path, in whatever your field of endeavor might be. There's just no excuse not to be well-informed and well-read, and again, learning, studying, and testing are far from over when you graduate from this wonderful place.

The next thing that I want to challenge you is to be ambidextrous, and I don't mean in the physical sense. I'll never forget, Chapel Hill I had a Canadian stat professor, it's the damndest thing, he could write with both hands, at the same time, on the board. I've never seen anybody like that. I'm not talking about that kind of ambidextrous. You need to be mentally ambidextrous. Many of you came here with innate, natural strengths.

Some of you are very quantitatively oriented, and others of you are more verbal or vocal, and you excel in expression. In many times, people's careers, at least initially, follow those strengths. But, what I want to challenge you to be noting innate talent will only take you so far. I've seen countless people whose careers kind of plateau very early in life when they went with their God-given natural strengths to the point where the next job, the next level, the next opportunity required a different skillset and people didn't have the self-awareness or the discipline to change. And so, I would challenge you to be in touch with your own strengths and weaknesses, and become cognitively ambidextrous. To learn how to operate fluidly out of your objective, concrete left-brain, and at the same time be able to switch over to your more subjective, creative right-brain. When I was a kid, I played a lot of neighborhood pickup basketball, one-on-one. My best friend was about 6 inches taller than me and he was a lot quicker than I was, he was right-handed, but he was really easy to guard under the basket because he could only go right. And I would challenge you, metaphorically, to develop your own left-handed hook.

The next thing I want to ask you to think about is to be ready to reinvent yourself over the course of your career. The pace of change in the world today and the future ahead will make your head spin, and if you want to stay relevant and competitive over time, you're going to have to be willing to start over. Very few things in life grow linearly, and many people expect their career to be a straight line from the lower left of the graph to the upper right. But you're going to hit roadblocks, you're going to stumble from time to time. And it's in those roadblocks and in those stumbles that's highly likely that your next opportunity will rise. So, you've got to become in depth at reinventing yourself. You'll find opportunities in those roadblocks and dead-ends. 15 years ago, I, with Wachovia, was involved in, then, the largest bank merger in the history of the United States. It was a merger of equals and the way those things work on sort of a social level, there tends to be a like number of executives from both firms that will come together to form the new merger of equals senior leadership team. And when the dust settles, and musical chairs stop, I didn't have a chair and I was not named one of the big, traditional jobs, and I was very distraught and I was very far along in my career at that point and I was very disappointed. I was asked to colead merger integration, a very complex task of knitting together the disparate systems and businesses and culture. It was a two-year assignment and I had never had a job with an expiration date on it, and I was very upset. I felt like I had been passed over, I got some assignment that was going to go away in a very short order. And looking back on it, it was the best thing that ever happened to me. It broadened me, it stretched me, it caused me to grow, I learned more about the industry in those two years than in my 20 prior to that. And you'll have those opportunities, as your parents have no doubt told you, adversity can be a good thing when you adopt it.

The next thing that I want to challenge you think about are your communication skills. Everything we do today in this hyper competitive world that we live in requires your ability to convey an idea clearly, crisply, and in an compelling way. It's the key concept to

selling an idea, to motivating people, and accomplishing things. It's how you'll be able to bring people together from different backgrounds, different cultures, and different beliefs to get things done. And I go back to my somewhat snide comment about presidential politics and this notion of getting things done, and our nation is so polarized today, I can't think about anything that I should be stressing more than communication skills and leadership skills that will bring people together and find common ground. Most importantly, not just your written communication skills, but your verbal communication skills.

In a world so driven by, so impacted by technology, I want to encourage you to pay attention to people. In addition to your communication skills, you need to become adept to knowing and reading people, what's going on inside of them. I had the privilege to speak with a smaller group this morning and had occasion to remind myself that when you're dealing with other people, it's so tempting to come at it with my point of view, and if we're in a position where I want you to do something, to participate, to agree, to cooperate, I have to deal with you where you are, in your state of mind, your belief system, and your values.

I came to observe, there were four or five things that CEOs have to decide when they're considering mergers or acquisitions, and only one of them is financial. And that tends to be binary. Either the price is acceptable or not. Now, there will be some horse trading but typically there will be investment bankers. You come to grips on price very quickly. But the other factors are: who's gonna run it, what are you gonna call it, how's it going to be organized, where is it going to be headquartered, and what about my people? Those are all people issues. There's so many transactions in the world of MMA. I mean, terrific sense on paper, when you look at the financials, but when you get around to the people dimensions of it they all break down. I can't stress enough communications and the human element.

The next one is: ask for feedback, listen to it, and act on it. This is all about self-awareness. This is all about having some concept of how other people experience you. Our company has invested a tremendous amount over the years to develop people's sense of self-awareness. It's so easy in business and in daily life to see so many talented people that can't seem to get traction with that innate talent that God blessed them with because they have the inability to know how they are falling on other people. I worked with a gentleman some years ago, if he wasn't a member of MENSA he should've been, he probably had an IQ of 200, brilliant, brilliant! And he was in a technical job, I highly technical job. But he really struggled with getting things done through other people, and he reached a proverbial plateau in his career. And in our company's culture, we embrace feedback and self-awareness, and annually, there's a formal mechanism to seek out 360 degree feedback from your peers and subordinates and superiors. Somehow or another, this guy had managed to avoid that. He never would subject himself to getting uncut, candid feedback from people and it caught up

with him. Somebody in human resources figured it out and made him participate in our 360 process. I happened to see him after he got his uncut results, and I said, 'Alex, how did it feel?' And without batting an eyelash he said, 'it felt like sliding down a razor blade into a pool of alcohol.' Graphic description, but the pain that he felt from the uncut feedback from people, it was accumulated over 20 years. My point is less about that than, do yourself a favor, give yourself the gift of awareness that you otherwise may not get by asking for candid, uncut feedback from people, and then do something with it.

And finally, with all due respect to our esteemed faculty and administrators here, I have to say that your future success won't necessarily be entirely determined by your formal education. And to be sure, what you have learned here, what you accomplished here, and yet will in the future educational endeavors is really, really important because it lays the groundwork. It teaches you how to think, how to reason, how to form conclusions, and, hopefully, how to make wise decisions. But in the long run, your education just prepares you to use what you arrived here with to begin with. Which was your intellect, your drive, your passion, and your desire. The rest of it is how you adapt and change and morph over, and over, and over again as the world around you changes. That's what's going to enable you to find that first job, that second job, to launch that startup, to change the world, or make discoveries.

I want to switch gears and go from not very profound to even less profound in the category of simple advice for you. At Wells Fargo, we recruit and hire, actively, undergraduates and MBA, every year. It's really important to our company, to our culture, to our future, it's important to the businesses that I am privileged to lead, and it's important to me personally. I take a great interest in bringing young, new talent into our company. We typically put these team members through a pretty comprehensive orientation session. Not only to orient them to Wells Fargo and our culture, but the working world in general. A couple of years ago I was kinda in the back of the room in one of these highly structure orientation sessions, and they are quite good, but it occurred to me that we were really missing something, and some of it was very practical advice on just the working world in general. So, I took a legal pad out and over a couple of days, jotted down some observations and put these into a category of what I now know that I wish I had known on my first day of work. And I do want to remind you and stress that these are not very genius or profound at all, but I do notice that there's no reason for you to take a couple of years to figure some of these things out.

Regardless of what you do when you leave here, whether it's for a graduate degree or something in public service or to start a company or whatever your passion is, volunteer for more. It's an incredible differentiator to be the one in the crowd that's looking for more work rather than trying to shed what you already have. Be the person that raises their hand and looks for more.

Learn how to make a decision, and move on. Indecision is not the friend of invention or accomplishment.

I'm in the investment business and I tend to look at the world through a prism of investments, and I would encourage you to take smart risks with your career. It's very much like the analogy for financial markets, the correlation between risk and return, and you have to take great risk for great return in your career. Smart risks.

Be willing to do what others may not. Don't always go for the glam job.

Look people in the eye when you're talking to them, literally. It's amazing how many people are staring at the ceiling or their shoes or whatever. It makes a big difference, people notice it.

Be willing to go where others may not. Be mobile. Listen, we are a highly mobile world and society even more so, every day.

I've tried over the years to make note of people that I was attracted to because of their effectiveness and the people that get things done. Great leaders. And I heard an expression a number of years ago about a great leader, and it stuck with me because it really describes something that I think is a very redeeming quality that we can all do. The term was, 'this leader has a fundamental impatience with the status quo.' I think that's more than just a catchy cliche, it's a bias to make things better when they may be okay. You have competing attitudes like 'if it's not broken, don't fix it.' I like people that have an impatience with the status quo. It's a hypercompetitive world in business, in public service, in politics. Have an impatience with the status quo.

Many of you will go to work in an environment and enjoy employee benefits, one of which will be a 401k plan. Only about 40% of Americans that have the opportunity to participate in that do, the other 60% don't. Typically, companies provide a match. It's free money, don't give it up.

I'm in the investment business, and I said this to the group earlier this morning, other than the very small, few people in this world that inherit wealth, most people grow their nest egg, their savings, whatever wealth they are privileged to accumulate over a lifetime. You can't invest your way to prosperity, you have to save, and it's up to you.

Get a dictionary or bookmark and an online version, spell check only catches certain spelling errors. It doesn't do a very good job on definition or syntax. Back to my emphasis on communications, it's amazing how atrocious the state of communication is in the business world.

I have two sons, they are my best friends in the world. I don't think they say I'm their best friend, but they're mine. I've always told them two things from the time they were old enough to understand: one is, you never know who you're going to need help from,

advice, you never know who you may work for, so it's generally a pretty good idea to be nice to everybody, everybody. And the other thing is, in those rare moments that we all have when you just decide to let your hair down and go wild, if you're gonna misbehave, you need to get way, way, way out of town because there's going to be somebody there that knows somebody that knows somebody that knows your mother.

You should learn the fine line between recognized for what you do and being humble about your success.

You should smile a lot. Seriously. My mother-in-law's facial expression at rest is a scowl. I thought for 20 years that she hated me. Now I know she just disliked me. Smile a lot, it really matters. Look people in the eye and smile, costs you nothing.

If you're not so inclined personally, make a friend with somebody who's in the technology business. It'll be very useful to you over the course of your lifetime.

Find time, in whatever environment you find yourself in, to have a good laugh, within the lines of decorum. Over time, you generally at your best when you're at ease. You make other people at ease if you find a way to have an appropriate laugh in there.

Your email and your internet activity is constantly being read and monitored by someone else. Companies and organizations routinely fire people, in these days even lock people up, for bad behavior there so that's something you should be aware of.

Volunteer in the community. Wherever you live, raise your hand externally. Go do something for somebody else. It's almost uniquely an American part of our culture in this country. I would encourage you all, at every stage of your life, to find a way to be involved with something that does things for other people.

You can stand out in a crowd by avoiding attachments to emails. God, I hate getting emails with these big attachments.

Be willing to say, 'I don't know' readily. It's a huge sign of maturity and confidence to say, 'I don't know,' because when you don't know and you don't say that, people usually figure it out.

For those of you that work in an environment where you have to spend money on behalf of your company or your school or your institution, don't screw around with your stats report. You'll get fired, you'll get caught, not a good thing.

Raise your hand when you have a problem, when you make a mistake, or when you see a problem. Heroes, in my business, are the people that highlight mistakes so that we can

get people around it. Don't try to solve things on your own. If you make a mistake, own up to it. It's very simple. You'll be a hero.

In business social situations, the name tag always goes on the right, so when you shake hands your name is easy to see, and the cocktail in the left. And, usually, no more than two of those in any one occasion.

As an individual, when you think about your life, not just your career but your life, you should have an agenda. You should have a pretty clear view of what you want to accomplish, what you want to learn, what you want to do, where you want to go, and you should have a plan. It can take many different forms, but you should have some concept of 'I'm here, and I want to be here' and what happens in between.

My experience has been, the good things in life or in business, don't happen on a recurring basis, randomly. There are things you can do to facilitate good outcomes in business and in your life, and you can be thoughtful about it.

You are in charge of your morale. Now, your environment can influence it. Your boss, your leader, your spouse, your significant other, the people you work with, they can all be influencers but every day, when we all get up in the morning, through all of the things that you're going to face, the truth of it is, you're not 100% in control of very many things at all, but there's one thing you have 100% control over, and that's your attitude. You should control your attitude.

Be intentional about your appearance. I've changed the wording of this one over the years a little bit. I'm not prescribing any look, formal, informal, quaint, untidy, whatever. Just, how you look, your appearance, says something about you. Just make sure it says what you want. Be intentional about your appearance. It's a competitive world.

In sizing people up, in reading people, recognize that there's a distinction between intellect and judgement. They rarely come in equal measure in the same people.

Don't make important decisions when you're tired, angry, or hungry. It clouds your judgement. That's particularly important when you're in relationships with people.

When you get that first job or that first assignment when you leave this wonderful place and somebody says, 'take an hour for lunch,' nobody really means it. Just eat your lunch and get back to work.

And with that, as we are approaching the new lunch hour, I will stop and thank you again for the privilege of being here at this wonderful place, congratulate you all on having chosen such a marvelous institution, and wish you good luck. Thanks."