

Alumnus of the Week: Arthur D. Collins Jr.

By Mark Fraga
WG'02

This article is part of the Graduate Student Advisory Committee's Alumni of the Week program, an effort to increase the recognition of famous Wharton alumni and to strengthen the tie between alumni and students.

Arthur D. Collins, Jr. WG'73 is the President and CEO of Minneapolis-based Medtronic, Inc. (MDT), the

world's largest medical device and technology company. He entered Wharton after serving in the

U.S. Navy and was a member of the Penn undergraduate faculty teaching operation courses in the Department of Naval Sciences. After Wharton he served as a management consultant with Booz-Allen & Hamilton for four years, and then held various international and U.S. management positions during his 14-year career with Abbott Laboratories, a large diversified healthcare company. Mr. Collins joined Medtronic in 1992 as President of Medtronic International, responsible for all operations outside of the U.S. He rose to become COO and a member of the Board of Directors in 1994, became President in 1996, and assumed CEO responsibilities earlier this year. He also serves as a member of Wharton's Board of Overseers.

The Wharton Journal interviewed Mr. Collins in August, 2001.

Wharton Journal: Why did you decide to go to business school? Why Wharton?

Arthur Collins: While I considered medical school for a short time, I think I always knew that I wanted to go into business. After I graduated from college (Miami University of Ohio, 1969) and served as an officer in the Navy, the choice then became which business school to attend. My father had been a Penn undergrad, and for many reasons it seemed that Wharton was the best school for me.

WJ: Tell us about your decision to go into consulting after business school. Do you think consulting is a good career choice for today's MBA students?

AC: I believe that there are many paths to success – and not one best way to build a career. When I finished my MBA, I had little commercial experience and I had not yet decided which industry to enter. Those who know what industry or company they want to join may gain more relevant experience and rise faster if they go right into that company or industry right out of the blocks. Fortunately or unfortunately, I wasn't particularly drawn to any specific industry at that time. However, I did know that I eventually wanted to be a line manager. Consulting looked like it would provide me with great exposure to different industries and functional expertise. Also, I thought of consulting as postgraduate training that would let me put many of the lessons learned in business school directly into practice.

Booz-Allen was great experience for me – I was fortunate to get a taste of finance, marketing, organizational planning, and mergers and acquisitions, all in real-world situations that were live

instead of just cases. Consulting also helped me hone my written and verbal communications skills, which have been very useful over the years.

WJ: How did you make the transition from consulting into industry leadership roles? How did your career develop from that point?

AC: Since my goal was to eventually run a company, I had reached a point in consulting where I had told many others what needed to be done – but now it was time for me to do it myself. At that point I did a systematic analysis of various industries and geographic locations, and I finally explored three great opportunities: (1) becoming assistant to the Chairman of Quaker Oats; (2) working for Jack Welch, then a brand new sector head at GE; and (3) working for the Chairman of Abbott Laboratories. None of these companies had been my clients while at Booz-Allen, but the head of the Booz-Allen office in Chicago helped put me in touch with them when he knew I was serious about leaving consulting.

Two Booz-Allen alums had done well at Abbott, and I had an interest in health care since my father was a doctor and my mother was a nurse. So in the end I decided to go to work for Abbott as Manager of Corporate Planning and Development. After 18 months in this staff role, I took a line job in Brussels as the head of Abbott's diagnostics business in parts of Europe and Africa. Eventually I was responsible for all of Abbott's diagnostics country operations in Europe, Middle East and Africa. After four years in Europe, I then returned to Chicago, eventually taking responsibility for all of Abbott's \$2 billion worldwide diagnostic business units. After 14 years at Abbott, I was contacted by Medtronic to run their international operations and be the leading candidate to become COO and ultimately CEO.

WJ: What unique skills, experiences, or lucky breaks have helped you get as far as you have in your career?

AC: I learned a lot from my studies, but even more from working with talented people –

especially colleagues and bosses who were experienced and who were interested in my development. In every role you take, it is critical that the learning process continue. Lucky breaks included being thrown into difficult situations and having to sink or swim.

Experience outside the U.S. has been invaluable. Visiting is not the same as living and working in another country and culture. You grow a great deal by "making things work" in your professional and personal life when the setting is unfamiliar. My years in Europe were some of the happiest for my family, and that time provided me a great opportunity for rapid professional growth.

Leadership skills are so important. While some leadership traits are innate, you can improve important leadership attributes by watching good folks lead and studying why they are successful. Also, leaders learn to lead by leading, making mistakes, and learning from those mistakes. And I've made my share of mistakes. My military experience also



Arthur Collins has worked for Booz Allen, Abbott Laboratories, GE, and Quaker Oats.

helped build leadership skills very early in my career – at 21 years of age, I was responsible for leading a division of 30 men including 50-year-old "old salts" and 18-year-old kids.

While innate skills are obviously important, what you make of your God-given talent makes the real difference. I think that a willingness to work hard, making necessary sacrifices, delivering on commitments, and never giving up are all a big part of being successful. Also, I learned early on that surrounding yourself with good people makes your job a great deal easier.

WJ: What do you most value out of your experience at Wharton?

AC: I'd point to three things. First, the coursework and professors were first-class, and they are probably even better today. Second, the ability to interact with a number of smart and capable classmates was extraordinary. And third, the Wharton credential has been helpful in opening doors with firms and among alumni.

WJ: How did you like Philadelphia?

I enjoyed Philadelphia a great deal. I lived at 7th and Walnut and was able to experience Center City in addition to campus life in West Philadelphia. I was there during an interesting mayoral campaign between Frank Rizzo and Thatcher Longstreth, which was by itself a real treat. Remember that I grew up in Cleveland, so I've lived in two of the most unappreciated cities in America.

WJ: How do you describe yourself when you are not in the office?

AC: First and foremost, I am the husband to my wife, Anne, and the father to my two daughters, Elizabeth and Emily. My career has taken a great deal of my personal time, so I have kept other commitments down to a reasonable level so I can spend more time with my family.

To relax, I like to walk in the mountains and to ski at our place in Colorado when I get a chance, which isn't often enough. I also like a round of golf or time on the tennis court when I get the opportunity. Also, I'm active in a number of civic and charitable activities.

WJ: As the leader of a major corporation, what would you like to see in

higher education and business education today?

AC: Education in the technical skills of business is important, but business schools need to ensure that they make students think, and preferably "outside the box". Learning the business "tools" is not enough – students must also think how what they learn can be applied and answer the question: "how can I really make an impact?" Leadership, ethics and teamwork are also very important in setting a vision and helping an organization achieve more than the individuals could on their own.

WJ: Any comments on ethics in business?

AC: Solid ethics and values are critical for any business leader. At the end of the day, leaders are paid to express and implement their best judgments. And, in the final analysis, good ethics are good business. If those judgments don't reflect strong ethics and values, the leader and the organization are in trouble.

WJ: What are your thoughts on the present challenges and the future of the healthcare industry?

AC: Healthcare is one of the best industries in America and around the world. Given today's technological and demographic trends, we see continued growth opportunities for companies who are able to continue to innovate and bring forward solutions that result in better medical outcomes and more effective delivery of healthcare.

I also feel good about being a part of the healthcare industry. When I

move beyond my active career, I will feel good thinking of the impact our products and services have had on the lives of millions of people around the world.

WJ: Any final thoughts for today's MBAs?

AC: I am so impressed with

today's Wharton students. Today's students have so much raw talent, while at the same time bringing well-rounded previous experience and a hunger to learn. Many of my peers wonder whether we would be accepted at Wharton if we had to apply today. Just remember to enjoy the journey and keep proper balance in your life – and have some fun along the way!

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