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FORTUNE

The New Face of Power on Wall Street

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AI

Features November 2020

VOLUME 182 • NUMBER 3

GM chairman and CEO Mary Barra is a veteran of *Fortune*'s list.

Cover Image by **TRACIE CHING**

COVER, ORIGINAL PHOTO: KYLE GRILLOT—BLOOMBERG VIA GETTY IMAGES; BARRA: WILLIAM WIDMER

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WHAT OUR EDITORS ARE UP TO THIS MONTH

BRAINSTORM TECH
On Dec. 1–2 the CEOs of IBM, Slack, Google Cloud, and others will virtually convene to discuss innovation in a time of crisis. *fortuneconferences.com.*

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Change for the Better

IT IS HARD to change any institution—particularly one as revered as *Fortune*'s annual ranking of the Most Powerful Women in Business. But in 2020, a year unlike any other, our MPW team concluded that our venerable list would benefit from a crucial tweak. It needed a measure of influence and power that went beyond the company P&L—a sense that the women on this prestigious roster aren't just great business executives, but also leaders who have used their power and influence to shape their companies "and the wider world for the better," as *Fortune*'s Kristen Bellstrom and Beth Kowitt write in their introduction to this year's package (please see page 65).

To be sure, business prowess still takes a front seat, as it has for the previous 22 years we've published our ranking. Witness the fact that the 16 CEOs on our 2020 list who run public companies oversee businesses with a combined market value of over $1 trillion.

Which brings me to our No. 1 choice this year, Accenture CEO Julie Sweet, who just rounded the calendar on her first year helming the professional services giant. And a big year it has been. The company, which commands a market cap of close to $150 billion, brought in $44.3 billion in revenue in its latest fiscal year, while profits rose 7% from the previous year. As the team writes: "Sweet steered Accenture's more than half-a-million employees in 51 countries through the pandemic, a crisis that has made the firm's skills more essential than ever." Those skills, in case you're wondering, involve helping much of the rest of the corporate world get through their own digital transformations. Or as Kristen puts it, succinctly: "When the pandemic hit, everybody had to accelerate their five-year plans into a week and a half. That's what Accenture does."

Claire Zillman's wonderful and timely profile of Jane Fraser ("The First Lady of Wall Street," page 82), who in late September was announced as the next CEO of Citigroup, offers another inside view of power and influence in action. Fraser's power is the ceiling-smashing type—in February, she'll become the first woman to head a major U.S. bank—and her career is a model for anyone unwilling to give up their family life in order to pursue a blazing rise to the top. It turns out you can have both.

To capture this "New Face of Power on Wall Street" on our cover, we asked Washington, D.C., artist Tracie Ching to render Fraser in illustration. "Tracie has this very classic engraving style that makes her subjects come alive in vibrant color, giving her work a dramatic, modern 'poster' feel," says *Fortune* creative director Peter Herbert, whose redesign of our print magazine was recently honored with *Folio Magazine*'s Ozzie Award.

One of the joys of making magazines is getting a chance to see the words, photographs, graphical elements, art, and design linger together on the page. When they interact just right, you can feel a bolt of energy inside. I hope you can feel that, as I do, in the pages of our November issue.

CLIFTON LEAF
Editor-in-Chief, Fortune
@CliftonLeaf

ILLUSTRATION BY SAM KERR

The Conversation

CAROL TOMÉ

Carol Tomé expected to be doing a lot more gardening when she retired as CFO of Home Depot in 2019. But the board of UPS, where she's served since 2003, had other plans. So in June, Tomé took off her gardening gloves and took the reins of the storied delivery company. We talked to the new CEO about what it's like to lead a 113-year-old giant through a pandemic. INTERVIEW BY **AARON PRESSMAN**

THIS EDITED Q&A HAS BEEN CONDENSED FOR SPACE AND CLARITY.

"In the second quarter alone, we had to hire 40,000 people just to get the packages delivered."

SALLY MONTANA—REDUX

FROM CFO TO THE BIG SHOW

After 24 years at Home Depot, you walked into a new job in the middle of a crisis. How has UPS been impacted by COVID-19?

TOMÉ: So, unlike a lot of companies, the majority of UPSers get up every day and go to work. You know, they put on their uniform, right? They can't work remotely. You can imagine what we had to go through—just imagine hundreds of thousands of package cars, having to make sure that they're clean. We've adapted pretty well based on all the feedback I get. We have had unprecedented demand come our way. [1] In the second quarter alone, we had to hire 40,000 people just to get the packages delivered. [2]

You helped Home Depot survive the 2008 recession. Are there strategies you gleaned from those tough times that you're applying now?

We had to make some very hard decisions at Home Depot. We had to make some decisions to close stores, to exit businesses. [3] But what we didn't do was take anything away from the frontline associates who were in the stores every day. We continued to make merit increases, we continued to pay a bonus.

The phrase we used back then is, "A crisis is a terrible opportunity to waste." Which, ironically enough, is what I said when I came to UPS.

I came here at the height of the pandemic, and one of the things that was getting in our way competitively was time in transit. We weren't as fast as some of our competitors. We had launched an initiative to tackle that problem, [4] but we weren't planning to complete it until June 2021. So I asked, What's getting in the way? And the team said money. I said, We've got money, let's accelerate it. So we will be done this month. Why waste the crisis, right? Pull forward, make the investments now.

While your e-commerce business, which involves a lot of single deliv-

SHIPPING MAGNATE: UPS CEO Carol Tomé oversees the handling of more than 21 million U.S. packages per day.

eries to homes, has been growing during the pandemic, don't you face a challenge of declining large shipments to stores? Those are generally more profitable routes.
A lot of what's happened in this current economic environment is that business has softened up a bit and the pipeline has been filled up with e-commerce. We're looking at how we can pivot our business model over time to have better balance in the portfolio. And that balance comes by growing small- and medium-size businesses, who really value our end-to-end network from pickup to delivery. Candidly, we had lost share in the small and medium sizes. Part of the reason why is we didn't have the fastest time in transit. So you can understand why I was so passionate about accelerating that initiative.

Not all of your important customers fit into that small/medium size category. Amazon is a huge customer 5 but is also becoming a competitor with its own delivery network.
Amazon's an important customer, but we have so many important customers. And for us, it's about each customer having a relationship that's mutually beneficial. Some customers need us for returns; some customers need us for end-to-end pickup and delivery. Some customers want to use our access points. Our job is to understand each customer's need and to serve them the best way that we can.

During your tenure as CFO at Home Depot you worked with five CEOs and helped sales increase almost eightfold to over $110 billion. What did you learn that you're bringing to your new job?
I learned that the answer to really all of the strategic questions facing a company can be found by listening. In the Home Depot world, that meant listening in the stores. So in my free time, in the evenings, on the weekends, I would put on an apron and work in the stores. And I really got to understand the experience through the lens of the customer.

I also learned the power of what they called an inverted pyramid, where the leadership team is at the bottom of the pyramid, because we bear the weight for the actions that we take and the decisions that we make. We bear that weight so that we can free up our associates who are at the top of the pyramid, so that they can take care of the customers. If you bear the weight, you can free up people to do the right thing, to give the best experience.

PUTTING HER STAMP ON IT

Now that you're a few months in, what are your biggest goals as CEO?
To impact people, help them get to

BETWEEN THE LINES

(1) They've got mail: UPS handled an average of 21.1 million U.S. packages per day in Q2—typically a slow period—a 23% increase from the previous year, and almost reaching the blockbuster 23.1 million packages per day average of the 2019 holiday season.

(2) Parsing the Parcel Service: At the end of 2019, UPS had 495,000 employees, more than 1,000 package facilities, 125,000 delivery vehicles, and 261 planes.

(3) A different sort of renovation: Home Depot's revenue plunged $13 billion during the 2007–2009 recession, and it closed 15 stores. It cut 2,000 administrative jobs and closed its Expo home design centers, laying off another 5,000 workers.

(4) The need for speed: Starting in 2019, UPS added Sunday pickup and deliveries, ordered dozens of new airplanes, and poured money into expanding its ground fleet and logistics systems.

There are only 37 women CEOs in the *Fortune* 500 now, counting you—you increased the total. What should corporate America be doing to increase the number of female corporate leaders?

We have to be intentional. I recall, at Home Depot, I had a senior officer opening and wanted to fill it with a diverse person. I had a bunch of amazing candidates, but [they didn't fit the bill, so] I kept it open for a year. Ultimately, it happened to be a woman that took that job, and she's doing an amazing job. But we had to have intentionality.

And we need to reach behind us and pull those people up with us. I have done that, and we'll continue to do that. The first executive officer I named here at UPS was our chief communications officer, Laura Lane. This was an executive vice president job I created; the first job I created since I joined [went to] a woman.

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“I believe the answers to everything can be found inside the facility, talking to folks and talking to customers.”

their highest potential. I view that as job number one. Job number two is to get the stock price moving. 6 That’s a lot about business model and capital allocation. And job number three is whenever I get ready to retire, that I have CEO succession-ready candidates.

There are several things that should not change, that are super important to who we are as a company. We landed on five. Our values. The dividend is an important part of the value proposition that we give to our shareholders; we’re committed to paying our dividend and increasing it over time. Our solid credit rating. Our brand relevance—and relevance is about doing good, be it our approach to social justice, or philanthropy, or diversity and inclusion. And then the last is the importance of our dual class share ownership. Those are the five things that shouldn’t change. But everything else in our portfolio is under review. And I mean, *everything* else is under review.

You told the analysts on Wall Street that you want to make UPS “better, not bigger.” Any examples of what maybe was making the company bigger—not better?

An example: I had the leadership team together and we put all our initiatives up on the wall around the conference room. I gave everybody 10 green dots and 10 red dots. Green were for those initiatives that we thought were wildly important. Red were for those we should stop doing.

All the green dots went up. No red dots. I said: You have to. So we went around again, and everybody used the red dots, which is very helpful, because it allowed us to say this is not important, right? We can put that on the shelf right now.

It allowed us to narrow our focus. It’s so critically important. You know, what is Lewis Carroll’s saying? “If you don’t know where you are going, any road will get you there.” That’s effectively where we were. We’re getting much tighter on what the action is that we’re going to take.

So we’re looking at how we can use technology to automate some of the manual processes in our facilities. How we can introduce technology to eliminate the people tasks? A really good one is robotic labeling. Rather than people putting labels on packages, having robotic arms putting labels on packages. We have that under a pilot, and it’s progressing nicely.

As the first outsider CEO, what have you noticed so far about the UPS culture—what needs to change?

I knew the company as a board member, but the truth is as a board member, you fly pretty high. As CEO, I started to go deep. I’ve been able to spend some time out in our facilities. I believe the answers to everything can be found inside the facility, talking to folks and talking to customers.

What I see are some opportunities from a culture perspective. One of those is the happiness factor. We measure employee satisfaction based on likelihood to recommend the company to others. Last fall, in our survey, our likelihood to recommend score was not good at all: 51%. That means 49% of UPSers wouldn’t recommend us to their friends or family. Nope, nope. That’s not going to work for us.

What’s the root cause? It’s a lot about recognition, celebration, building financial plans so you can pay people bonuses; that’s an important part of it. And I don’t think it’s going to be that hard to move the needle. ■

(5) Customer and competitor: As of January, Amazon, which has its own delivery business, accounted for roughly 12% of UPS’s revenue.

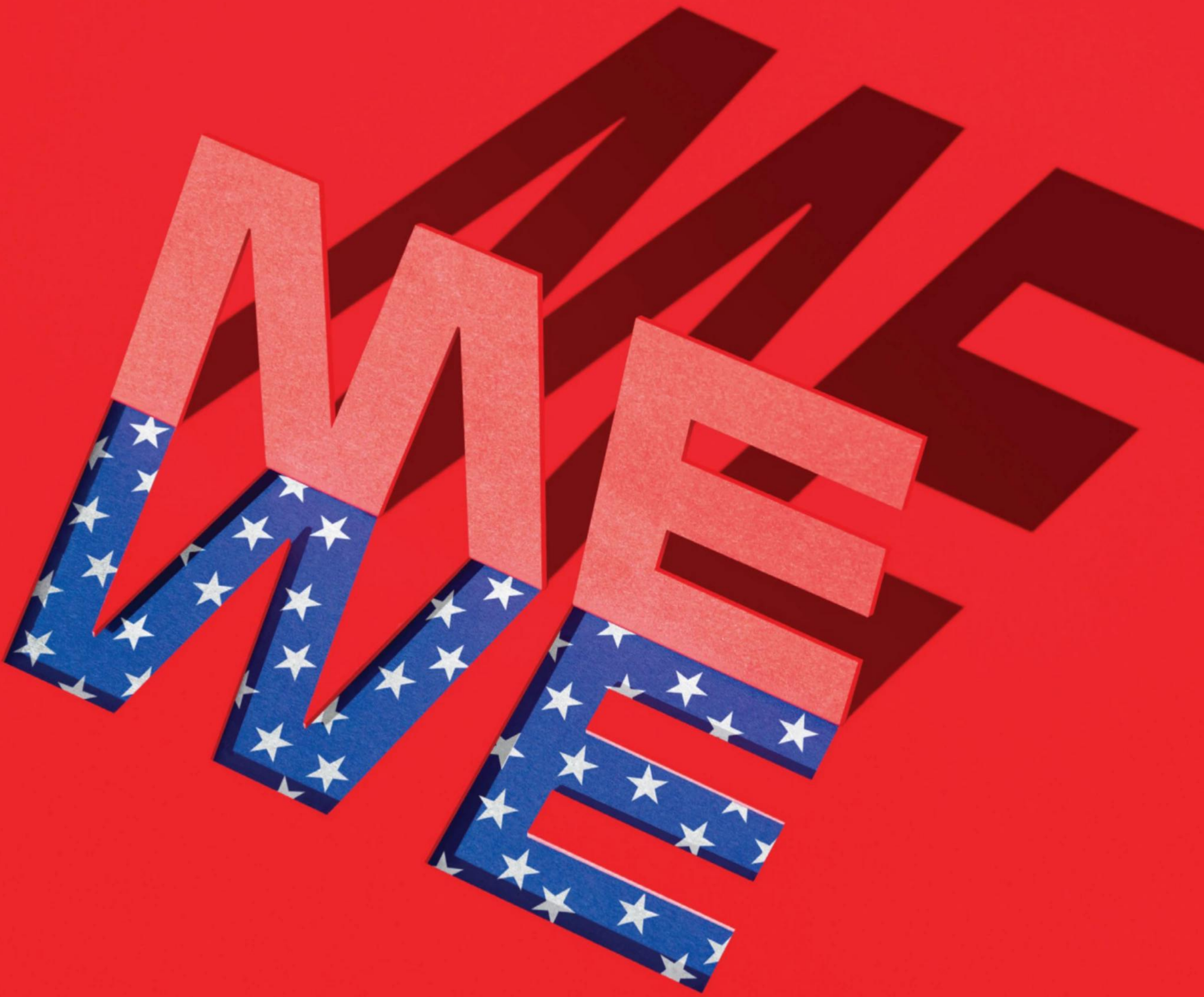
(6) UPS stock performance

Shares have doubled since Tomé took over on June 1.

SOURCE: BLOOMBERG

THE BRIEF

BUSINESS. DISTILLED.



POLITICS

Are We Better Off Than We Were Four Years Ago?

The decision voters are facing shouldn't hinge on personal pocketbook issues—but rather on how the country as a whole has changed since the last election.

BY CLIFTON LEAF

PHOTO ILLUSTRATION BY SELMAN DESIGN

FORTY YEARS AGO, a 69-year-old candidate for President stood on a Cleveland debate stage 15 feet from the incumbent, turned to the television audience, and asked a question that would seemingly change the race overnight: "Are you better off than you were four years ago?"

It was Oct. 28, 1980, and opinion polls until then had been suggesting a close contest between the two nominees, former California Gov. Ronald Reagan, the Republican, and President Jimmy Carter, the Democrat—with the most recent of surveys splitting down the middle as to who had the edge. But the challenger's question that evening, posed at the end of a cordial 90-minute exchange, clarified the choice in a flash. The American economy was wilting under the burden of "stagflation," a portmanteau that roughly translated to "everything stinks"—the unemployment rate was mired at 7.5%, inflation was soaring, gasoline prices had climbed by more than a third in just the past year. Reagan, "the Great Communicator," had framed those gloomy circumstances in a handful of words—and one week later he won the White House in a landslide, carrying 44 of the 50 states.

Four decades later, on the cusp of another presidential election, it might seem that there's no question that's more relevant to voters than the one Reagan asked—and a few pollsters, as you might expect, have already asked it. A September survey by the *Financial Times* and the Peterson Foundation found that a plurality of U.S. voters, 35%, felt better about their present financial situation, and 31% felt worse, compared with four years ago; a later poll by Gallup painted a more upbeat picture, with a clear majority of registered voters (56%) saying they were better off today. Both surveys would seem to portend good news for President Donald Trump as he faces off against former Vice President Joe Biden.

Yet here's a surprise: The answers tell us little about how voters will actually fill out their ballots. "We've done a lot of research and have never really found a link between people's own finances and how the vote turned out," says Jeffrey Jones, who oversees all U.S. polling for Gallup, including the "better off" survey above. "People are not really self-interested when they think about how they're going to vote, it's really sociotropic voting: They care more about what's going on out there as opposed to their own situation," he says.

Far more predictive of election outcomes, says Jones, are a trio of Gallup surveys—those measuring Americans' confidence in the economy overall, satisfaction with the way things are going in the U.S., and presidential approval—that look at the state of the nation as a whole. (In each, the President's rating is currently underwater, and particularly so compared with previous incumbents who won reelection.)

The material question for voters, then, isn't "Am I better off?" but rather "Are *we* better off?" Indeed, that was the true focus of the question Reagan framed 40 years ago, a fact that has been too often missed. As the candidate went on to prompt his TV audience in 1980:

Is it easier for you to go and buy things in the stores than it was four years ago? Is there more or less unemployment in the country than there was four years ago? Is America as respected throughout the world as it was? Do you feel that our security is as safe, that we're as strong as we were four years ago?

U.S. voters today are facing additional questions that drive, perhaps, even more deeply to who we are as a nation: our shared sense of purpose, our trust in the institutions of government and society, even the way we talk and listen to one another. In every election, of course, voters will inevitably make personal choices on the basis of ideology, philosophy, or morality—as it should be. This year, though, there is one fundamental question that voters of every political bent ought to ask before they cast their ballot: Is the United States of America more or less united than it was four years ago?

ME VS. WE

"Human nature really is the fundamental force that governs politics in any society at any time," says Mike Leavitt, who was elected three times as governor of Utah and later served in President George W. Bush's cabinet as secretary of U.S. Health and Human Services. "And this division between 'Am I better off?' and 'Are we better off?' is really the conflict between (me) individual liberty and (we) security: We give up one in order to gain the other." Leavitt, a conservative Republican, sees the struggle between these two eternal goals—liberty and security—as a legitimate, and even necessary contest. But he is concerned with how brutal the battle has become, though he contends the vitriol has been building for far longer than in just the past four years. "We're seeing people on both extremes who seem willing to color outside the lines, to break the covenant of democracy. And that offends us, and it scares us, because it's not consistent with [the pact] we've all entered into."

Data from the Pew Research Center shows how hardened the divisions between left and right, Democrat and Republican have become. Though the major parties are growing further apart on issues, the bigger concern is not ideological but personal. "Partisan antipathy—this is the sense that I not only disagree with the opposing party, but I take a rather negative view of the people in that party—has been growing since the mid-1990s," says Carroll Doherty, the Pew Center's director of political research. But in 2016, Doherty says, those negative feelings began to spike. The share of Republicans who describe Democrats as more immoral than other Americans grew from 47% in 2016 to 55% in 2019, according to Pew research. The share of Democrats who describe Republicans as immoral rose 12 percentage points, from 35% to 47%. Nearly two-thirds (63%) of Republicans surveyed by Pew said Democrats are more "unpatriotic" than other Americans (23% of Democrats feel the same about Republicans), and the share in each party who view the other as more "close-minded" or "lazy" than their countrymen has climbed as well. Overwhelming majorities in both parties say the divide between them is growing, with some three-quarters of Republicans and Democrats acknowledging that they "cannot agree on basic facts" when it comes to the views of the other side. Dispiritingly, Pew found, huge percentages on both sides of the aisle (53% of Republicans and 41% of Democrats) do not want their leaders to seek "common ground" with the other party if it means giving up anything.

Doherty emphasizes that Pew's latest study was conducted a year before the presidential election—and before the coronavirus pandemic: "While we can't extrapolate ... it's possible that these negative sentiments could have grown," he notes.

"There is this existential struggle for the soul of America in which neither side can win, and it's all about the threat of the other side," says political scientist Lee Drutman, a senior fellow in the political reform program at the New America foundation. "We have half of the country who's convinced that the other half of the country—if they got power—would be illegitimate and substantially destructive." Drutman, whose book *Breaking the Two-Party Doom Loop: The Case for Multiparty Democracy in America* was published in January, contends that the escalating hyper-partisanship has "simplified" politics into this us-versus-them, good-versus-evil binary.

"THERE IS THIS EXISTENTIAL STRUGGLE FOR THE SOUL OF AMERICA IN WHICH NEITHER SIDE CAN WIN."

Trump's rhetoric has been an "accelerant" to the long-simmering anger on both sides, says Drutman. The fiery invocations he unleashed at his campaign rallies didn't end when he got to the White House. They got louder and fiercer and were echoed on social media. Says Alan Abramowitz, a professor of political science at Emory University: "He went from dog whistles to a bullhorn"—from quietly tapping into racial, ethnic, and partisan resentment to stadium-size chants.

The high-decibel roar of his MAGAphone has had an effect that goes well beyond "rallying the base," says Lilliana Mason, associate professor of government and politics at the University of Maryland, and author of the book, *Uncivil Agreement: How Politics Became Our Identity*. It has encouraged and even normalized politically based violence, she says—pointing, for example, to the rise in "anti-immigrant" hate groups in the U.S., which has risen in parallel with the anti-immigration rhetoric of politicians. (The number of such groups has more than doubled since 2014, according to the Southern Poverty Law Center.)

"There are a lot of people warning about radical, mainly right-wing, violence specifically around the 2020 election," says Mason, "but we've already seen heavily armed men walking through American cities." To glimpse the potential danger, witness the brazen plot by members of self-styled militia groups to kidnap Michigan Gov. Gretchen Whitmer, which was revealed by the FBI in October. These are things "we couldn't even imagine in 2016," Mason says.

A LONG TO-DO LIST

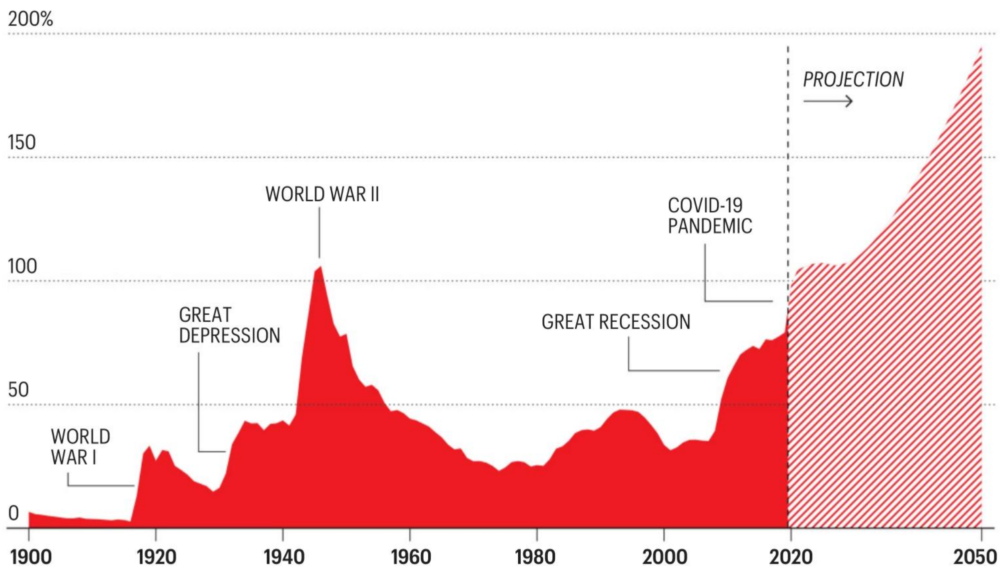
As much as this negative partisanship has torn America's social fabric, it has made legislating all the more challenging—particularly at the federal level where "to get anything done, you have to be able to build coalitions that to some extent cross party lines," says Abramowitz. Indeed, Drutman says the problem goes even deeper: "One of the fundamental conflicts in the American system is that we have political institutions that are set out to encourage broad compromise, and we have a party system that has evolved to make compromise very difficult. So we have a different set of electoral and governing incentives from the start." The escalation in political vitriol only widens the gap between them.

To thrive over the next century—and in a world that's more competitive, economically, than ever before—Americans must invest in the nation, just as any business needs to invest in itself in order to grow. That means funding job reskilling programs and rebuilding critical infrastructure, a sprawling mandate that spans from repairing crumbling roads and bridges to constructing advanced 5G telecom networks. The Social Security system did not get less wobbly on its own; it will need to be fixed somehow. We still have to rein in runaway health care costs, and get the still-raging pandemic under control, to say nothing of preparing for whatever outbreaks are yet to come. There are even knottier problems to contend with—climate change, criminal justice reform, crafting an immigration policy that sustains both industry, U.S. security, and a sense of fairness. And ultimately, we'll have to find a way to put the millions of people who lost their jobs in the wake of COVID-19 shutdowns back to work (see our election package on page 48). It's no small list of must-dos.

Paying for all of this is, if anything, a more daunting challenge: Our spendaholic leaders in both parties have already emptied America's wallet, and we're in hock up to our shorts. The federal debt held by the public will reach 106% of our GDP in 2023, according to the Congressional Budget Office (see chart)—and the fever line rises relentlessly from there. We'll have to be creative and ambitious in our problem-solving—and, yes, that means the warring parties must set aside their bitterness and work together.

It also means we'll have to hot-wire business growth in the U.S. "It sounds probably academic and otherworldly to say the solution is innovation," says Edmund Phelps, winner of the 2006 Nobel Prize in Economics and director of the Center on Capitalism and Society at Columbia University. "But quite frankly, I'm not sure how far we can progress if we don't get the economy to be delivering better than it has been for the past 40 or 50 years." Phelps says he is happy that companies are starting to aggressively push back on Trump administration tariffs as well as on an immigration policy that is "blocking the talents that companies need for developing new products." Phelps is particularly keen to see the next administration embrace international trade. "It could be a source of new energy in the business sector in this country. That will be great for jobs and wage

FEDERAL DEBT HELD BY THE PUBLIC, AS A SHARE OF GDP



SOURCE: CONGRESSIONAL BUDGET OFFICE

rates and everything else," he says.

Sandi Peterson, a member of the board of directors at Microsoft and a partner at Clayton Dubilier & Rice, a New York private equity firm, is equally frustrated with Trump's immigration policy. "If we don't get our act together, the innovation engine of the United States—where all the smartest people in the world showed up and created all this amazing stuff—is gone," she says. "People won't come here to study anymore. People won't come here to try to work anymore, because they can't get visas," says Peterson, who was formerly group worldwide chairman for Johnson & Johnson. Luring talent from overseas "is what has driven the economy of this country for an incredibly long time—and we just really messed it up."

The challenge for voters, on this front, is to guess what's the best way to fix this: Give Trump another chance or clear the slate and start over.

TRUST AND CREDIBILITY

Whoever ends up being in charge on Jan. 20, 2021, will have another urgent task: rebuilding trust in the institutions of government itself. Over the past four years, agencies that used to be considered nonpartisan and independent from political pressure—including the CDC, FDA, and the Justice Department—have been viewed by many with skepticism and suspicion, as they have seemed to bend to White House talking points. "All of these institutions used to be neutral arbiters," says New America's Drutman. "And in a political system where everybody can agree on a basic procedural fairness and can accept the idea of a legitimate opposition, then these institutions can maintain their independence." But this is one more lost treasure, it seems, in our era of fevered hyper-partisanship.

Such infighting has implications for our national security, says the University of Maryland's Mason: President George Washington warned against this in his farewell address, she reminds us. "If you allow factions to form, you open the nation to foreign interference because we start fighting ourselves," says Mason. "When we create this very deep partisan divide, it makes us weaker as a nation, and it makes it much easier for other nations to mess with us."

Brian Finlay, president and CEO of the Stimson Center, a nonpartisan think tank devoted to studying global security and other critical issues, agrees. "We're now in a world where our adversaries have identified the fundamental weaknesses of our system," says Finlay. "They've exploited the divisions. They've exploited the technology weakness that they've seen by convincing our children that the *Washington Post* doesn't have credibility. Our adversaries have wised up, and now they're attacking our elections, which is like shooting fish in a barrel. They don't need to send armed combatants to the United States. They can do it from their basement computers."

> **"IF YOU ALLOW FACTIONS TO FORM, YOU OPEN THE NATION TO FOREIGN INTERFERENCE BECAUSE WE START FIGHTING OURSELVES."**

It is hard enough to defend against such asynchronous warfare. It is harder still to do it without alliances, partnerships, and pacts. The U.S. has long entered into multilateral agreements—to stem Soviet expansion and aggression in the Cold War, limit the spread of nuclear weapons around the world, prevent illegal fishing, and naturally, sell more American goods.

But in the past four years, President Trump has pulled us away from many of these critically important alliances—even "terminating" our relationship (in the middle of a global pandemic) with the World Health Organization, an institution that the U.S. pushed for, and helped create, in 1948. He has also scuttled the Trans-Pacific Partnership (TPP) trade agreement, which was "designed to implant a countervailing force against an aggressive China across Southeast Asia," says Finlay. "Now China has managed to turn the scales on us, and we're playing small ball on a country-to-country basis. We're trying to convince the Vietnamese not to allow the Chinese to build dams on the Mekong instead of building a coalition of American interests that give us a global trading advantage."

We also exited the Intermediate-Range Nuclear Forces (INF) Treaty that President Ronald Reagan signed with Soviet Premier Mikhail Gorbachev in 1987, and which helped to end the Cold War. We abandoned the Open Skies Treaty, which had broad bipartisan support, and Trump yanked the U.S. out of the Paris Agreement on climate change.

These are yet more self-inflicted wounds when it comes to America's health, prosperity, and security—and one more consideration for voters as they head to the polls. But let's keep it simple: Are we better off than we were four years ago, or is it time for a change?

BEST WORKPLACES

Global Giants Getting It Right

No matter where in the world they're stationed, employees at these 25 companies want to stay put—and for good reason.

BY BRETT HAENSEL

THROUGHOUT the year, in partnership with people analytics firm Great Place to Work, *Fortune* publishes lists ranking the best U.S. workplaces across a number of categories. In 2020, on the Best Workplaces for Diversity, Millennials, Women, and Parents lists, as well as the Best Workplaces in Technology, tech conglomerate Cisco has ranked among the top eight—and it landed at No. 4 on this year's domestic 100 Best Companies list.

So it should come as no surprise that Cisco tops GPTW and *Fortune*'s World's 25 Best Workplaces list this year, for the second year in a row.

All 25 companies appearing here received top ratings on GPTW's surveys of their employees in at least five countries. On average, these firms have offices in 12 different countries and employ 88,000 people worldwide. About half (12 of 25) are headquartered in the U.S., including four of the top five.

As they did last year, technology companies—either in the IT or biotech and pharma industries—constitute 40% of the top 25. Dell Technologies (No. 17) is a newcomer this year, as are Daimler Mobility AG (the financial services and insurance arm of the German automaker), Cadence (electronics), Marriott International (hospitality), Volvo Group (manufacturing), and Deloitte (professional services).

For more on companies that prioritize employee satisfaction, social responsibility, and workplace diversity, visit Fortune.com, where you'll also find new lists of the 100 best small- and 100 best medium-size domestic workplaces. ■

ILLUSTRATION BY SAM PEET

WORLD'S 25 BEST WORKPLACES

		Employees
01	Cisco	79,304
02	DHL Express	104,000
03	Hilton	173,504*
04	Salesforce	52,000
05	Stryker	40,000
06	Mars	67,784
07	The Adecco Group	45,000
08	Mercado Libre	13,058
09	SAS	13,000
10	EY	300,675
11	Intuit	9,382
12	SAP	95,853
13	Adobe	22,000
14	Admiral Group	11,243
15	AbbVie	30,000
16	Daimler Mobility AG	14,000
17	Dell Technologies	165,000
18	Cadence	8,674
19	Marriott International	176,000
20	Volvo Group	100,000
21	Roche	98,000
22	Deloitte	286,200
23	Santander	194,000
24	Natura	6,396
25	Scotiabank	97,000

*AS OF JAN 1, 2020

CHANGE AGENTS

CULTURE OF CREATIVITY

KEEP ON SMILING

When historians tell the tale of the modern transformation of Saudi Arabia, they might like to start with the story about a night in Riyadh 10 years ago.

On the empty stage of an unassuming cultural center, a young Saudi woman walked up to the microphone and, a little nervously at first, began to tell jokes. Before long, the Kingdom's very first female stand-up comedian hit her stride, gained confidence, and made history as the audience laughed and cheered.

"It was an unforgettable moment," says Abeer Al-Fouti, who produced the show with her husband, Peter.

"She did an amazing job, back at a time when women were not even allowed to drive," she says. Now, many other Saudi women are breaking into the comedy scene, and the sky's the limit. The pace of change has been unbelievable."

Abeer and Peter's company, Smile Entertainment, is one of the prime movers behind the new wave of Saudi comedy, and is supporting the emergence of young comics both male and female, organizing shows, and bringing international stars into the country to perform. While Saudi Arabia may not be the first place that comes to mind when stand-up comedy is mentioned, the country's young, internet-savvy population already includes some of the world's most voracious consumers of online comedy content.

Thanks largely to the efforts of Smile, increasing numbers of Saudis are now experiencing the joys of stand-up comedy in the real world. Abeer says that, until interrupted by COVID-19, comedy events in Saudi Arabia have expanded rapidly across the country since Smile was founded in 2008. "Saudis have an extraordinary appetite for laughter, fun, and happiness," she says. "Stand-up comedy is only going to grow even more in the future."

How has comedy in Saudi Arabia changed since Smile started in 2008?
At the time when my husband, Peter, and I started Smile, there was practically no live entertainment anywhere in Saudi Arabia. Initially, we mainly brought international comedians into the country, but we also selected the best Saudi talents and helped them practice and develop. Today, I am proud to say that many of those talents are some of the most famous comedians in Saudi Arabia.

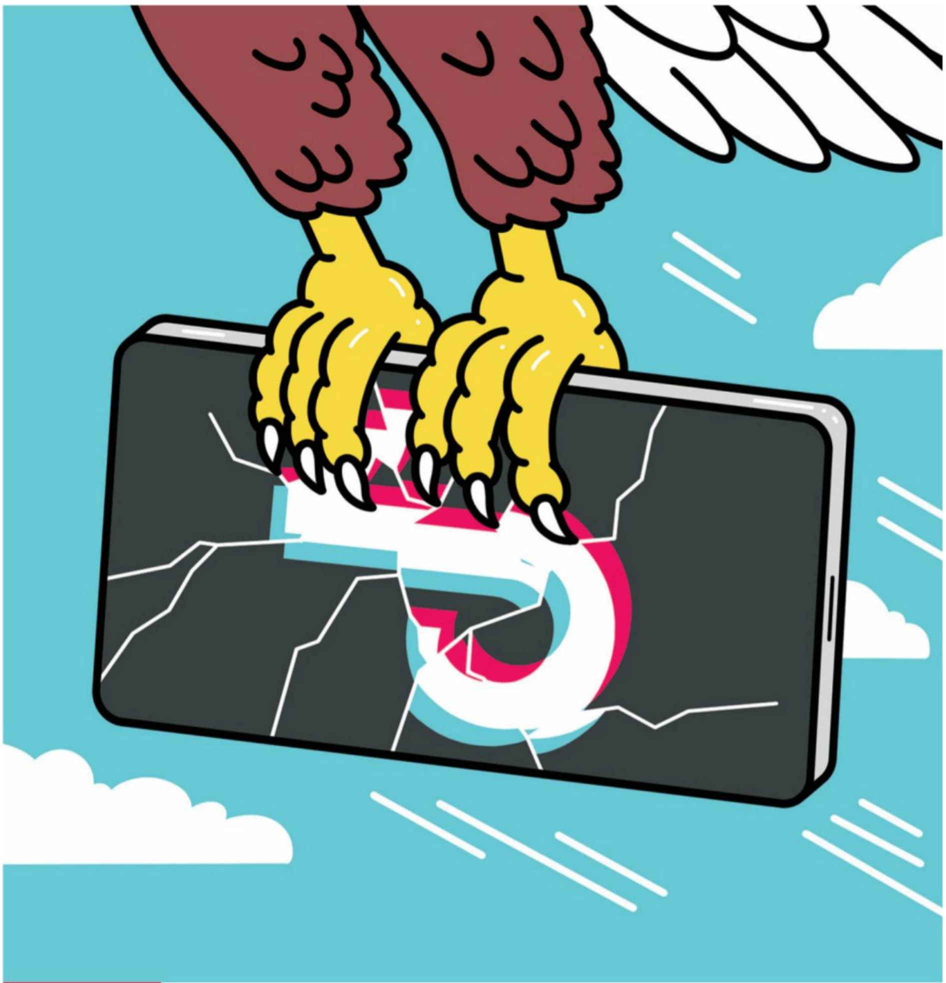
What has been the response from Saudi audiences?
The feedback has been fantastic. Saudis love humor. Interest in stand-up comedy is growing all over the country. Tickets always sell out within the first few days or even the first hour.

This is the whole idea of Smile—to use laughter and humor and entertainment to bring people together. When people laugh, they are the same. It gives me overwhelming joy to see Saudis laughing and chatting together after our shows.

What are your plans for the future?
We are all set to launch a new comedy program as soon as the COVID restrictions are lifted. Demand is going to be extremely high. It is an incredibly exciting time for us. I am confident that we will be announcing new comedy venues in Riyadh very soon.

The future for stand-up, and for all forms of live entertainment in Saudi Arabia, is very bright.

> "WE BELIEVE IN THE POWER OF LAUGHTER TO BRING PEOPLE TOGETHER AND PROMOTE TOLERANCE AND UNDERSTANDING"
>
> —
>
> **ABEER AL-FOUTI** SMILE ENTERTAINMENT CO-FOUNDER



TECHNOLOGY

A Powerful Tool for Trade Hawks

The battle over TikTok has focused new attention on CFIUS, a secretive federal committee with the power to scuttle foreign investments in U.S. businesses. Some critics say that power is being abused. **BY JEFF JOHN ROBERTS**

THIS SUMMER, when the Trump administration ordered the popular social media app TikTok to sell its U.S. operations, it marked a new escalation in the U.S.-China trade war. The clash also introduced much of the general public, including lip-synching teens and their parents, to a secretive body called CFIUS—the Committee on Foreign Investment in the United States—which can block or unwind foreign acquisitions of U.S. assets in the name of national security.

CFIUS (pronounced "SIFF-ee-us") will have final sign-off on a proposed deal to deliver partial control over TikTok to a coalition of U.S. investors and companies, including Oracle and Walmart. Once an obscure nook in Washington's regulatory labyrinth, CFIUS has grown dramatically in power and influence in recent years, as Congress beefed up its mandate as part of a technological arms race with China and other rivals. Its widening ambit could redefine the relationship between foreign companies and the U.S. government. But the TikTok saga, which could see a prominent supporter of President Trump obtain a big stake in the app, is also stoking a backlash among critics who see CFIUS as a powerful tool for crony capitalism.

CFIUS was established in 1975 by President Gerald Ford to safeguard strategic industries like oil and munitions from foreign control. For decades it was rarely invoked: Brian Fleming, a former national security lawyer for the Justice Department who is now an attorney at Miller & Chevalier, estimates that the Obama and Trump administrations blocked fewer than one deal a year between 2009 and 2017.

The pace accelerated, however, as the Trump administration adopted a more bellicose stance on China—and as lawmakers across the political spectrum grew more worried about data, patents, and tech expertise passing out of U.S. control. In 2018, CFIUS stopped China's Ant Financial from buying money-transfer service MoneyGram and scuttled an effort by Singapore-based Broadcom to acquire chip giant Qualcomm. That same

ILLUSTRATION BY **SAM ISLAND**

year, Congress passed the Foreign Investment Risk Review Modernization Act (FIRRMA). That law not only expanded CFIUS's enforcement powers but also gave it a new mandate to protect U.S. consumer data—such as that collected by TikTok and its Chinese parent company, ByteDance.

The advent of FIRRMA has triggered a stampede of CFIUS actions. The review process is highly secretive, but according to the *Washington Post,* the panel has launched dozens of investigations this year alone, aimed primarily at companies that received investment from China or Russia. Some probes retroactively examine deals completed years ago: The TikTok investigation, for example, rose out of ByteDance's 2017 purchase of a Los Angeles–based company called Musical.ly.

CFIUS is composed of the chiefs of nine federal agencies, headed by the secretary of the Treasury. It can intervene in any deal involving foreign investors in which there are national security concerns—a rationale that can extend to nearly any transaction, lawyers object. While social media platforms like TikTok and Tencent's WeChat have been the most prominent recent targets, other industries are in the panel's crosshairs. Nevena Simidjiyska, cochair of the international trade group at Fox Rothschild LLP, which has seen an uptick in CFIUS work, says the mobile game industry—which has many ties to China—is likely the next to face scrutiny.

Simidjiyska and others argue that CFIUS review is highly vulnerable to political influence. Members of Congress who wish to flaunt nationalist credentials can lean on CFIUS to block a deal or unwind it retroactively. And U.S. companies have also urged lawmakers to demand CFIUS investigations into their corporate rivals.

FOR DECADES, CFIUS WAS RARELY INVOKED. **BUT A 2018 LAW HAS TRIGGERED A STAMPEDE OF NEW INVESTIGATIONS.**

In this new climate, lawyers say, companies are increasingly taking steps to avoid CFIUS scrutiny. Some might structure deals in such a way that foreign investors have only a passive role, with no board seats or executive presence; others might simply decline Chinese investment altogether. And in some cases, companies quietly pull the plug on a planned deal upon learning that CFIUS intends to make a negative recommendation to the President. While firms can turn to the courts if they view CFIUS's actions as arbitrary or heavy-handed, this may be a long shot. Only one company has gone to court over a CFIUS order, and the case settled without a ruling on the underlying issues. And U.S. judges typically give the executive branch broad deference on matters of national security.

That deference, along with CFIUS's growing scope, has amplified complaints that the process could be used for nakedly political ends. Many China hawks shared President Trump's stated concerns about the influence of TikTok and WeChat. But his open advocacy of an ownership bid by Oracle—whose cochairman, Larry Ellison, hosted a top-dollar fundraiser for the President earlier this year—has raised hackles in Congress and C-suites alike.

"Have we broken the fourth wall when it comes to CFIUS, and entered a bold new world where the President can intervene and meddle in a way no one envisioned?" asks Fleming, the former Justice Department lawyer. "With this President, all bets are off." It remains to be seen whether the TikTok affair is a one-off, and whether the enmeshing of geopolitics and business would continue under a different President, of either party. ■

TOUGHER OVER TIME

Since its creation in 1975, CFIUS has slowly evolved from a regulatory footnote to a trade-war weapon. Some key dates from the pre-TikTok era:

1988
GROWING TEETH
Concerned over Japan's tech prowess, Congress gives CFIUS the power to reject foreign investments.

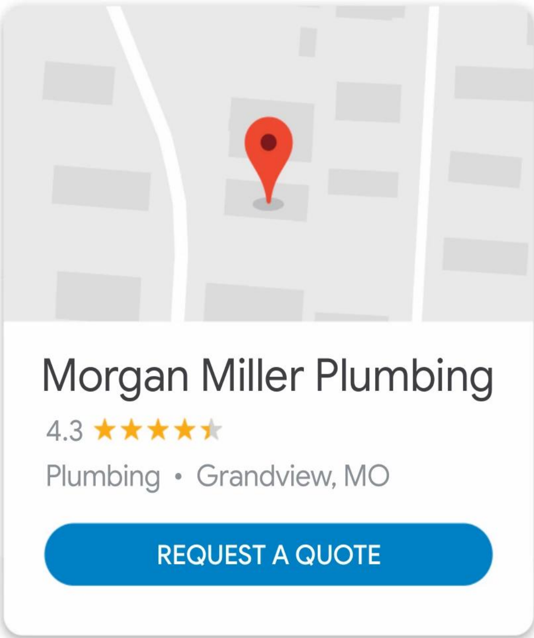
1990
THAT DEAL WON'T FLY
The administration of George H.W. Bush uses CFIUS to order a Chinese firm to divest MAMCO Manufacturing, a Seattle-based aircraft-parts maker.

2006
SHAPE UP OR SHIP OUT
The Dubai Ports World consortium strikes a deal to obtain control of six U.S. seaports. CFIUS approves the plan, but Congress votes to block it.

2012
BLOWING IN THE WIND
President Obama orders Chinese-owned Ralls Corp. to divest wind turbines it acquired near a Navy site in Oregon.

2018
THE ART OF NO DEAL
President Trump invokes CFIUS to bar Singapore-based Broadcom from carrying out a $117 billion hostile takeover of chipmaker Qualcomm.

Helping local businesses adapt to a new way of working



Google


MORGAN MILLER Plumbing
MORGAN MILLER Plumbing
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With a free Business Profile on Google, Morgan Miller Plumbing has been able to reach more customers. And while COVID-19 has presented new challenges, they've been able to adapt. More people are contacting them every week, and they're actively looking to hire additional technicians to help meet demand.
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TRENDS

Plastic Surgery Sees a 'Zoom Boom'

We've never spent so much time seeing our faces up close, on-screen. And it's leading many to explore going under the knife.

BY RACHEL KING

EYE BAGS. DOUBLE CHINS. That inexplicable crease between your brows. If you are like many Americans who have spent hundreds of hours in videoconferences these past few months, your colleagues' brilliant business ideas aren't the only things that have captured your attention during meetings.

Marie Hayag, a dermatologist and founder of Fifth Avenue Aesthetics on New York City's Upper East Side, underscores what she calls "the Zoom effect," explaining she has heard a lot of complaints from new and returning patients about imperfections that were newly noticed while videoconferencing. Among the most requested treatments right now: neuromodulars (such as Botox) targeting fine lines and wrinkles, platelet-rich plasma (PRP) therapy for stress-related hair loss, treatment for "maskne," and body sculpting. "More patients are working from home and can receive procedures that require them to 'hide at home' for a few days," says Hayag. Moreover there are few if any social obligations to bow out of during recovery time.

A survey of more than 1,000 consumers conducted in June by the American Society of Plastic Surgeons (ASPS) found that 49% of those who haven't had plastic surgery indicated they are open to cosmetic or reconstructive treatment in the near future. Perhaps not surprisingly, many patients have homed in on the area around their eyes as we're all out and about wearing face masks. Lisa Goodman, founder of GoodSkin Clinics in California, says under-eye fillers, quoted at $1,700 per treatment, are a top draw right now.

But it's also thanks to face masks that cosmetic surgery patients are increasingly eager to get work done around their nose or lips—precisely because they'll remain hidden while bruised and discolored during recovery, Hayag says.

Instead of quick fixes and impulse procedures, Lisa Cassileth, a plastic and reconstructive surgeon in Beverly Hills, notes that patients are asking for procedures they have contemplated for years: Breast reductions for 40-plus-year-olds, abdominoplasty on mothers with teenagers, and breast implant removals are common consultation topics.

But not every doctor is indulging every request, says Dhaval G. Bhanusali, a dermatologist and laser surgeon at Hudson Dermatology and Laser Surgery in Manhattan. "If patients are being "overly critical of themselves or unrealistic, we need to gently let them know," he explains. Zoom meetings "have forced us all to critically analyze ourselves, way more than we probably should."

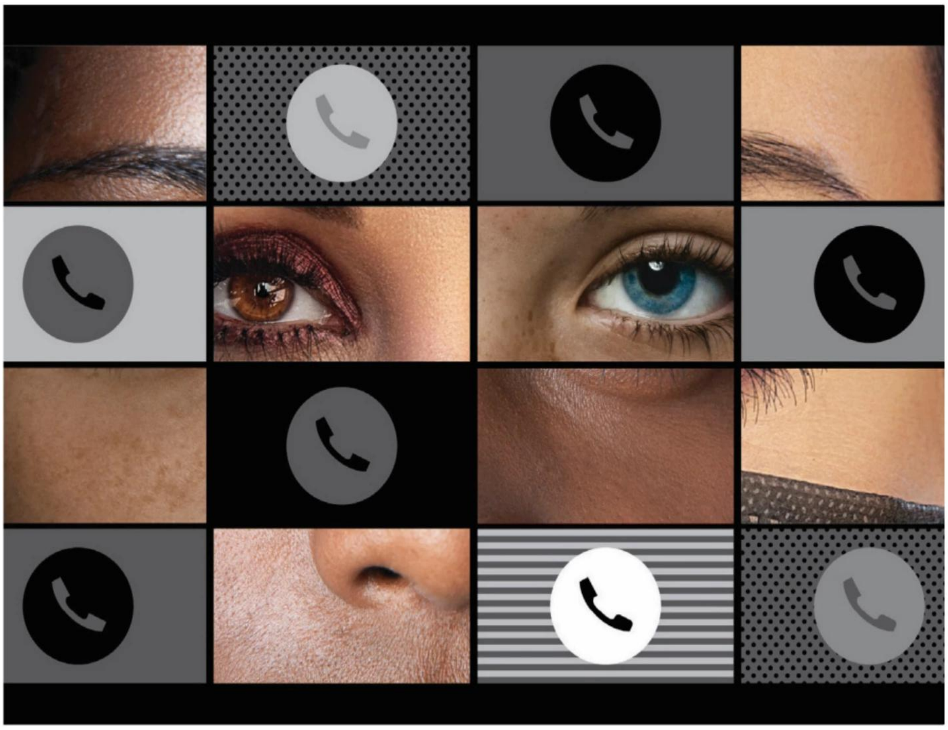

PHOTO ILLUSTRATION BY FORTUNE; ORIGINAL PHOTOS: MIHAIL MOSALOV—EYEEM/GETTY IMAGES; MICHAEL POEHLMAN—GETTY IMAGES; PETE RIDGE—GETTY IMAGES

A colorful approach: Dollar General plans to foster a "treasure hunt" shopping ethos with 95% of items under $5.

COURTESY OF DOLLAR GENERAL

RETAIL

Cheap But Chic(er)

Dollar General goes upmarket, courting shoppers with six-figure incomes at its new Popshelf chain. **BY PHIL WAHBA**

DOLLAR GENERAL is taking a new tack to win shoppers: Go after those with *more* dollars to spend.

The discount retailer (No. 112 on the *Fortune* 500) is launching Popshelf, a chain that caters to a higher echelon of shopper. Two locations will open near Nashville in late fall, followed by 28 more by the end of January 2022.

The idea behind the chain: Offer colorfully merchandised nonessential goods like home decor and party items, while catering to a clientele that might balk at shopping at a Dollar General, the fast-growing deep discount chain that now has 16,300 stores across the U.S.

The company says Popshelf will target households with incomes as high as $125,000, well above the $50,000 mark that is typical of the Dollar General customer. That's not to say Dollar General is refashioning itself as a strip mall version of Neiman Marcus: 95% of items will be priced at $5 or less.

What will be different are the products, which will be more discretionary, such as beauty products, items for the home, Christmas decorations, supplies for crafts, and even some food items for parties (think charcuterie plates). And Dollar General says Popshelf will offer many limited-time items to foster the "treasure hunt" ethos that has served chains like T.J. Maxx so well and spurred repeat visits by shoppers. At 9,000 square feet, the Popshelf stores will be slightly bigger than a typical Dollar General.

Dollar General, now a larger retailer than Macy's by sales, has been one of the biggest winners during the pandemic, with shoppers drawn to its low prices on a range of essentials like toilet paper and cleaning products. Last quarter, sales rose 24.4% to $8.7 billion. Now the company will find out what adding customers who prefer charcuterie plates will add to the top line. F

THE SECRET TO A BETTER BOTTOM LINE

INTRODUCING THE THRIVE XM INDEX

CHIEF EXECUTIVE officers of major U.S. firms came together last fall to redefine the Business Roundtable's statement of purpose for corporations: Instead of putting shareholders' interests first, members agreed to prioritize the interests of various stakeholders—including employees.

But how does doubling down on employee well-being affect the bottom line? Pretty well, according to our research.

Fortune teamed up with Thrive Global, SAP SuccessFactors, and Qualtrics to build the Thrive XM Index, a ranking of companies with the best employee well-being. To create the index, we surveyed more than 20,000 full-time U.S. employees from over 900 companies. We asked them about everything: work/life balance, career advancement, mental health, and company policies.

Thrive Global researchers then applied a scoring algorithm and examined the highest-ranked companies, which include Microsoft and Coca-Cola.

The top-ranked Thrive XM Index companies—even when factoring in industry—saw their stock gains outperform those of their peers. What's more, the top 10% of Thrive XM Index companies saw their return on equity climb 27.2% in the second quarter versus 22.6% for the S&P 500. Profits also outpaced the S&P 500 average. Maybe stakeholder capitalism is what shareholders should have been pushing for all along. —LANCE LAMBERT

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INVESTING

Stocks for a Ballot-Proof Portfolio

Elections have consequences for investors, too. But these companies should perform well no matter who runs the show in Washington next year. BY ANNE SRADERS

AN UNPRECEDENTED pandemic couldn't keep global stock markets down. But some investors fear that an unprecedented election might lead to even rockier times.

Some of those jitters, of course, just represent the usual election-season hand-wringing over the potential impact of the candidates' stances on issues like health care, tech regulation, taxes, and trade. But this year, worries about Election Day itself are adding edge to the traditional angst. The disruptive effects of COVID-19 have prompted millions of Americans to vote by mail, which could both delay the announcement of a winner and give the apparent loser ammunition to contest the results. Markets hate uncertainty, and some traders are already showing how uncertain they feel: Prices have surged for November- and December-dated futures and options related to Treasury securities, gold, and the Cboe Volatility Index, all of whose values could soar if stocks go haywire after an inconclusive Nov. 3 outcome.

For anyone adding this kind of financial fear to their general anxiety about the state of the world, many pros offer a reassuring message: Whatever happens in November, it probably won't affect your portfolio as much as you imagine it will. "I think the election impact is generally overexaggerated," says Matt Benkendorf, chief investment officer at Vontobel Quality Growth. (Also often exaggerated are the drawbacks of having a Democrat in the White House; for more, see our chart.) "It's the underlying health of the economy and corporate profit growth, ultimately, that are going to impact stock prices."

That said, the economy is far from healthy, and there remains plenty of uncertainty about when business will recover from the pandemic. Saira Malik, head of global equities at Nuveen, believes there's a risk of postelection market volatility, but for the long term she expects a return to moderate growth, akin to the BC era (before coronavirus). Still, she and most money managers agree that investors should focus on stocks with defensive elements—think shares in companies that can deliver steady growth and reliable dividend yields, even if the broader economy is so-so at best.

Rather than fret about who wins, Malik notes, the question now should be, "What can you own in either scenario?" With that query in mind, *Fortune* sought out stocks that are as election-proof as possible, the kind that might hold up nicely for the next four years or more.

WITH MORE people seeking homes where they can both live and work, and interest rates expected to stick near zero for the next few years regardless of who wins the White House, real estate is likely to continue booming.

ILLUSTRATION BY **MATT CHASE**

That's one reason Malik favors home-improvement chain **Lowe's (LOW, $171).** A robust housing market isn't the only factor working for the chain: Malik also predicts a boost from e-commerce as Lowe's upgrades its website, as well as a payoff from cost controls and supply-chain improvement. (Housing trends are also boosting rival Home Depot, but Lowe's enjoys a significantly lower price/earnings ratio.)

Homebuilding isn't the only construction that could surge in 2021. "A lot of people think that infrastructure is going to be the play postelection" no matter who wins, says David Bianco, chief investment officer for the Americas at DWS Group. There's always bipartisan support for investment in roads and bridges, but Bianco expects funding for higher-tech systems like energy-saving power grids and a nationwide 5G network, as well. Bianco says such plans will benefit utilities in general, which "will play a big part in installing 5G cells and will receive some rental income." One company well positioned to profit from those trends is **NextEra Energy (NEE, $301),** the parent of utilities Florida Power & Light and Gulf Power. NextEra has been a major investor in renewable energy—and has grown even without the full-on clean-energy support that might come under a Democratic President.

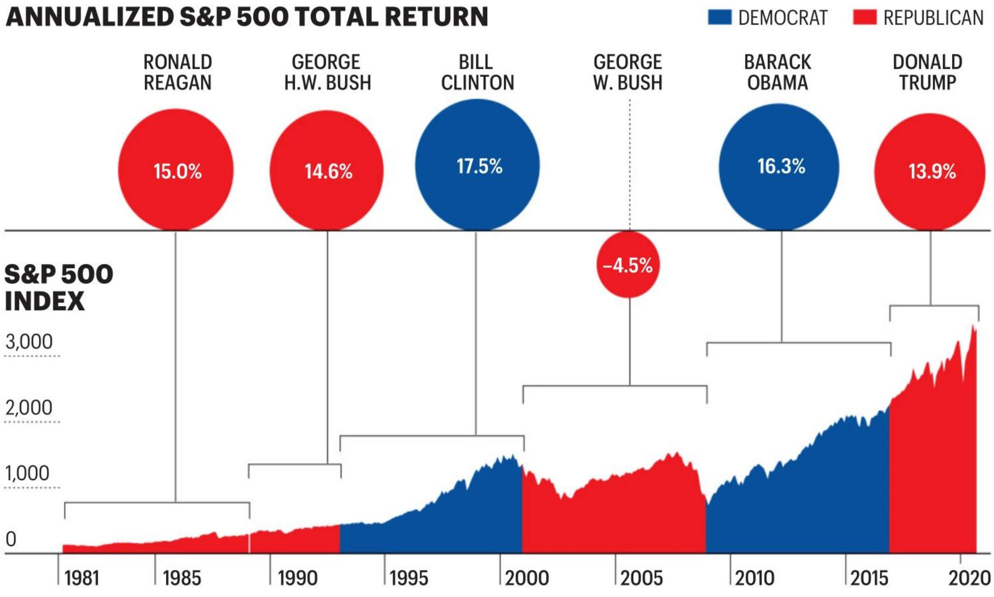
Investors who feel confident about a broader recovery may want to take a look at **3M (MMM, $168),** the industrial behemoth whose products include components for aircraft, rails, and commercial vehicles (not to mention Post-it notes and personal protective equipment). The company's wide range of products helps insulate it from down cycles in different sectors, says Eric Schoenstein, a managing director and portfolio manager at Jensen Investment Management, noting that its businesses "can work hand in hand to help offset each other in tough times." Yet the stock trades fairly cheaply, at 19 times next year's estimated earnings, compared with roughly 25 for the S&P 500.

Despite their dominance, Big Tech companies have encountered multiple headwinds lately: They've faced criticism from lawmakers over their market power, along with a growing conviction among some investors that their share prices have risen too high. But **Microsoft (MSFT, $211),** despite its $1.6 trillion market cap, is taking less heat than peers like Apple, Amazon, and Google. Schoenstein says that the company's relatively cautious conduct since its own antitrust settlement two decades ago has helped insulate it politically today. And at 32 times estimated forward earnings, its valuation is dwarfed by many higher-flying peers. Still, the company boasts a growing and stable subscription software business and a booming cloud platform in Azure. Schoenstein also notes that Microsoft's products (including Teams, its business communication platform) are helping people "pivot into this work-from-home environment"—all of which should translate to steady earnings growth.

U.S.-China trade tensions have been a campaign flash point all year, and money managers worry about their ripple effects. But few think that geopolitics will blunt the momentum of China's **Alibaba Group (BABA, $301),** which Benkendorf calls a "very domestically focused business." The massive retailer has an Amazon-like, ingrained foothold with China's consumers, but its shares trade at roughly 29 times forward earnings, compared with nearly 89 for Amazon. Benkendorf is also bullish about the upcoming IPO of fintech Ant Group, of which Alibaba owns roughly 33%—offering Alibaba shareholders another way to profit from the rise of China's consumer class. ■

BIPARTISAN BENEFITS

Since 1980, investors have earned higher returns under Democratic Presidents. But with one exception, returns under each administration have been positive overall.



SOURCE: BLOOMBERG

DRIVING SATISFACTION IN EVERY TERRAIN

How **dedicated transportation** delivers the benefits of a private fleet—without having to manage one.

COMPANIES WITH FREIGHT TO SHIP ROUTINELY GRAPPLE with how best to transport it. Those with in-house fleets must manage everything from maintenance to hiring and training drivers, routing, scheduling, and vehicle disposal. Many would rather focus on their core businesses—especially during a pandemic, when optimizing every asset is critical.

In this environment, dedicated transportation arrangements that deliver the benefits of a private fleet without the management headaches are gaining traction. In fact, they rank among the fastest-growing segments of the $680 billion U.S. trucking industry.

Dedicated transportation solutions offered by companies such as Ryder System, Inc. provide expert route engineering and scheduling, a right-sized fleet, drivers hired and trained for the company, and the ability to adapt to market conditions. Regulatory compliance, liability, and safety concerns are left to the transportation pros, and continuous improvement, cost savings, and efficiency gains are regular benefits. To achieve all this, Ryder engineers a transportation solution that maximizes a company's gains and develops strategies for economic growth so customers can stay focused on what they do best. For instance, a metal manufacturer expanded into new territories by having Ryder fulfill its next-day orders with no risk of carrying long-term fixed costs.

"We're helping our customers lower their costs of sale, lower their costs of delivery, and improve their service," says Steve W. Martin, senior vice president of dedicated transportation solutions at Ryder.

As companies position freight plans for today and beyond, adaptability remains key. Dedicated transportation allows for dramatic scaling of volumes up or down on a dime. "If [a company's] transportation networks allow them to increase the amount of orders they can deliver next day, on time, then they'll grow their business," Martin says.

Ryder's dedicated solutions are tailored to drive results. A home improvement retailer that needed to cut costs and improve service, for instance, saw its fuel costs plunge $1 million in one year, and 98% of deliveries arrive on time due to Ryder's expertly engineered routing and scheduling. And when a national paint brand was running its own fleet, stores struggled to track deliveries and invoices took days to generate. After partnering with Ryder for a dedicated solution, the firm saw measurable improvements: RyderShare™ technology, a cloud-based platform for visibility and real-time collaboration across the supply chain network, allowed the firm to track inventory with precision, generate invoices within seconds, and reengineer routes to lower shipping costs by $1.5 million.

Working with Ryder's dedicated transportation solutions, companies are able to tap into a network spanning all 50 states, Canada, and Mexico. They draw on Ryder's almost 90 years of experience and versatility in serving multiple industries, from construction to retail and grocery, to name a few. And as Ryder recruits, trains, and generously rewards promising millennials, women, and veterans, driver turnover at the company ranks among the industry's lowest.

Motoring into a changed world is no time for coasting. For Ryder, it's full speed ahead. ■


EVER
MOVING
Transportation services that put your supply chain in motion
Whether it's a single pallet, several truckloads a day, or managing a private fleet and drivers, you need transportation services that keep your freight and business moving forward. With an entire portfolio of transportation services that includes freight management & brokerage, truckload capacity, transportation management, and dedicated transportation, Ryder helps you reduce freight costs, improve service levels, and drive efficiencies while getting your goods to consumers on-time and in-full. Discover how Ryder Transportation Services can make you *Ever better*™ at **ryder.com/everbetter**.
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CLIMATE CHANGE

A Carbon Conundrum

China's government has committed to nationwide carbon neutrality. But the country's dependency on coal runs dauntingly deep.

BY NAOMI XU ELEGANT

ON SEPT. 22, Chinese President Xi Jinping made a bombshell environmental declaration to the United Nations General Assembly. China, the world's largest producer of greenhouse gases, would begin reducing its overall emissions after peaking in 2030—and by 2060, Xi said, the nation would achieve carbon neutrality.

Xi's pledge broke through the pandemic-dominated news cycle, pitching China as a global leader in environmental responsibility. But it didn't affect the goings-on at the Hohhot Jinshan power station. There, on the fringes of the Gobi Desert in Inner Mongolia, hundreds of workers are building two new power-generation units to supply more electricity to the 2 million–plus residents of Hohhot, the regional capital. The 5 billion yuan ($735 million) project, which broke ground May 31, will more than triple Hohhot Jinshan's energy capacity to 1,920 megawatts once the units go live in October 2022. And it will all be fueled by coal, one of the world's dirtiest energy sources.

The Hohhot project is no outlier. Provincial governments in China green-lit more coal-plant projects in the first half of 2020 than they did in 2018 and 2019 combined—17 gigawatts in all, enough to power several million homes. That fact helps illustrate one of China's vexing paradoxes: The planet's biggest investor in green-energy technology is also "addicted" to coal, as Li Shuo, a Beijing-based policy adviser for Greenpeace China, puts it. Energy security concerns and entrenched industrial interests, Li continues, have made it "very difficult to get rid of the dirty little rock."

It's a habit China needs to kick. Since 2006, when it overtook the U.S., China has been the world's largest carbon polluter. A carbon-neutral China would lower the projected global average temperature in 2060 by 0.2 to 0.3 degrees Celsius, a meaningful impact, climate research-

A miner at work in a tunnel in Inner Mongolia, one of the regions of China whose economy is strongly tied to coal.

NI SHAOKANG—VCG/GETTY IMAGES

ers estimate.

But for China to reach carbon neutrality, coal's share of its power generation mix would need to fall to 12%, from 62% today, according to energy consultancy Wood Mackenzie. And China's quest for a greener energy economy has repeatedly taken a back seat in recent years to maximizing economic growth. The country's coal consumption declined from 2013 through 2017, during a national campaign to fight air pollution—then rebounded, as pressure to mitigate an economic slowdown took precedence. Today, large-scale infrastructure projects like coal plants are helping jump-start economic activity that slowed early this year because of the coronavirus.

The coal surge also reflects a tension between the needs of regional leaders and the goals of the Beijing government. Coal project approvals boomed after 2014, when the authority to permit new construction passed from the central government to provincial leaders. For the latter, the projects are a surefire way to boost jobs and GDP in the short run. "As a local governor, that's your legacy," Li says.

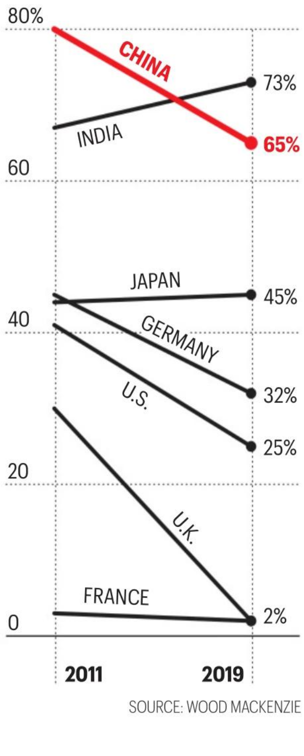
A desire for self-reliance also keeps coal paramount in China's energy mix, says Gørild Heggelund, a senior research fellow at the Fridtjof Nansen Institute in Norway who studies China's energy and climate policy. China's huge coal reserves mean industries needn't rely on other countries to meet their energy demands. By contrast, for its second-largest energy source, oil, China is highly dependent on imports. Energy security "tops the leadership agenda," says Heggelund.

THE IRONY is that even as it has nurtured its coal industry, China's government has outpaced most others in promoting renewables. China is the world's largest producer, exporter, and installer of solar panels and wind turbines. In 2019, it invested $83.4 billion in renewable energy capacity, more than any other nation. (The U.S. invested $55.5 billion that year.) Renewables accounted for 8.9% of China's total electricity generation in 2018. Factor in hydropower and nuclear power, and China's share of energy from non-fossil-fuel sources rises to about 30%.

WHERE THERE'S SMOKE

Despite recent progress toward emissions reduction, many of the world's largest economies still rely heavily on coal.

SHARE OF ELECTRICITY OUTPUT DERIVED FROM COAL



SOURCE: WOOD MACKENZIE

COAL PROJECTS ARE A SUREFIRE WAY TO BOOST JOBS IN THE SHORT RUN: "AS A LOCAL GOVERNOR, THAT'S YOUR LEGACY."

Impressive as its growth has been, however, renewable energy hasn't reached critical mass in China—in part because wind and sunshine are less reliable than coal, and in part because the privately owned enterprises that dominate the renewable sector lack the clout and connections that state-owned coal giants enjoy.

Tipping the balance in favor of green energy will require dramatic steps. In order to reach the goals Xi announced, China needs to stop building new coal plants, accelerate the phaseout of existing ones, and table the construction of recently permitted projects. The most challenging part of the shift will be "the social transition that comes with it," says Prakash Sharma, Asia-Pacific head of markets and transitions for Wood Mackenzie. Coal-rich provinces like Shanxi and Inner Mongolia—the home of the Hohhot Jinshan plant—will face extensive job losses and short-term economic decline. Sharma expects the government will try to preserve mining jobs by retrofitting coal-fired power plants with carbon capture and storage technology, which lessens the amount of waste carbon dioxide that enters the atmosphere. But that technology hasn't yet been proven to work at a scale that can match China's consumption needs.

So how will China reconcile its climate goals with its energy reality? For now, observers are looking to the next five-year plan, the central government's latest round of reforms and economic growth targets, which will be publicly available in March 2021. Climate activists hope the plan will include specifics that weren't included in Xi's UN speech. Li, of Greenpeace China, says the government needs to set a "much higher" target for renewable energy use and an absolute carbon-reduction target. As for coal-fired plant construction, Li says, "This needs to be immediately put on the shelf." ■

Stronger Together

The Volvo Group's winning culture thrives on fostering strong connections and meaningful work.

FORTUNE
WORLD'S BEST WORKPLACES 2020

AT THE VOLVO GROUP, THE MULTINATIONAL transport solution provider headquartered in Gothenburg, Sweden, an award-winning workplace culture rests on five core values: customer success, trust, passion, change, and performance. These values are rooted in the organization's illustrious 93-year history. Since 1927, the Volvo Group's workforce has powered its growth from a local diesel-engine company to one of the world's leading manufacturers of trucks, buses, engines, construction equipment, power solutions for marine applications, and financial services. It's a workplace culture that "thrives on open dialogue, and where equality and fairness are essential," says Marcio Pedroso, president for Volvo Financial Services. "This creates opportunities for employees that are important to their personal growth, and engagement at work."

The cultural effects are evident at Volvo Group University, an in-house learning center that provides training and career development classes for nearly 100,000 employees across 190 markets. Since the pandemic began, the university has offered webinars on such topics as setting up an effective home office, practicing better self-care, navigating change, and more. "We want to help employees do their best in an environment they're not necessarily used to," says Pedroso. "This positively impacts our business performance, because employees see we care about their well-being. We are also passionate about making a difference in communities, which during COVID-19 has been more important than ever." The Volvo Group and its employees support frontline heroes and others worldwide in many ways, including producing and donating personal protective equipment for health care professionals, providing free meals for truck drivers delivering essential supplies, and donating food and laptops for families and students.

In 2019, the Volvo Group spent $2.1 billion on R&D, including investments in transformative technologies its workforce is using with the goal of shaping a better world. "All of our 12 great brands share a vision to be the most successful transport solution provider in the world," says Martin Weissburg, chairman of Volvo Group North America and president of the group's Mack Trucks brand. "Our employees are developing sustainable future solutions that are essential to our societies."

Weissburg goes on to say, "The bottom line is connections and meaningful work inspire people to work harder for their colleagues and their customers. It's what motivates them to go that extra mile." ■

THE VOLVO GROUP COLLEAGUES WORLDWIDE, INCLUDING TEAMS IN BRAZIL (PICTURED), CELEBRATE BEING NAMED A GREAT PLACE TO WORK.

ACCELERATING BUSINESS GROWTH AND TRANSFORMATION

Kubernetes can help fast-track the shift to digital and online operations by supercharging IT development and deployment.

KUBERNETES, AN OPEN-SOURCE PLATFORM FOR orchestrating containerizing workloads, is gaining the attention of C-level leaders and development teams worldwide. The efficiencies it creates in the development, deployment, and management of containerized workloads at scale enables global enterprises to maintain cost-efficient and reliable operations, regardless of how complex their IT infrastructure is or how fast they're transitioning to the cloud. According to a survey from the Cloud Native Computing Foundation (CNCF), nearly four in five companies are using Kubernetes to streamline app development and deployment while also maintaining the flexibility they need to go to market fast, or to adapt to new business models and ways of working.

"Kubernetes is increasingly becoming top-of-mind for corporate leaders looking to accelerate innovation and digital transformation," says Melissa Di Donato, CEO of leading open source innovator SUSE. "It significantly increases the agility and efficiency of software development teams, lets them put new software into production faster and with fewer headaches, and helps boost productivity while reducing cost and risk."

Just a few ways Kubernetes can serve as a springboard to innovation are by speeding up time-to-market for new cloud-native applications, introducing enhanced scalability, and allowing even legacy applications to easily migrate to public, private, and hybrid clouds. "As a unifying software layer that helps minimize complexity, Kubernetes allows organizations to quickly develop and deploy applications at massive scale," says Priyanka Sharma, general manager of CNCF. "It frees C-suite leaders to focus more on strategy and less on high-tech operations."

According to Di Donato, customers are already using SUSE today in transformative ways. Elektrobit, a global automotive supplier, is leveraging SUSE to help develop intelligent software-driven vehicles powered by open source. Tymlez, a blockchain solution platform company, is helping health care providers boost patient recovery rates with Kubernetes.

To extend their leadership in Kubernetes, SUSE recently announced its intent to acquire Rancher Labs, developers of the industry's most widely adopted enterprise Kubernetes management platform. According to Di Donato, "Once the acquisition closes, SUSE and Rancher together will be uniquely positioned to help business leaders worldwide underpin countless innovative new customer experiences and transform themselves to meet the challenges of tomorrow's market."

Concluded Di Donato, "From the CEO and CIO to operations and development teams, business leaders know Kubernetes is the rising star of IT transformation."

Kubernetes:
The Rising Star of IT Transformation

SUSE.com/kubernetes

SUSE

KDP's trucks deliver merchandise directly to store shelves—so the company can see firsthand what is selling.

MICHAEL RIDDELL—COURTESY KDP

KEURIG IS A MACHINE

FROM COFFEE PODS TO DR PEPPER, THE BEVERAGE GIANT HAS LEVERAGED AN A.I.-FUELED GROWTH STRATEGY DURING THE PANDEMIC. AND IT'S CLOSING IN ON COKE AND PEPSI.

BY SHAWN TULLY

FOR DECADES, THE WORLDS OF COLD and hot beverages in the U.S. have remained separate domains, each dominated by undisputed champions. In carbonated soft drinks, Coca-Cola and PepsiCo have long shared almost three-quarters of the market, while Starbucks has reigned as the place to go for coffee. None of the three stalwarts are even lukewarm about combining hot and cold segments in a big way. But in a beverage market as roiled as every other part of the consumer economy is this year, a surprise winner—little-known Keurig Dr Pepper—is taking gallons of market share.

Though KDP is less than half the size of Coke and Pepsi in U.S. soft drinks, it is running neck and neck with the two giants in the share of the extra cans and bottles thirsty stay-at-home Americans are quaffing versus last year. In the 20-week period ended July 26, KDP has grabbed 34.1% of the $1.4 billion increase in revenue for all U.S. carbonated soft drinks, according to Consumer Edge. That boosted its overall market share from 22.7% to 24.0%. "KDP has done the best job of any beverage company in navigating the crisis," says Consumer Edge analyst Brett Cooper.

KDP's rise is especially remarkable because it's a new enterprise formed just over two years ago via the $18.7 billion merger of coffee purveyor Keurig Green Mountain and soda maker Dr Pepper Snapple. The deal was a giant bet that by assembling and promoting a broad portfolio of classic names and high-growth newcomers in categories much smaller than Coke's or

$11,100,000,000

KDP'S REVENUE LAST YEAR

Pepsi's colas or Starbucks' coffee brand, KDP could create a business more powerful than the sum of its parts.

That strategy is the brainchild of KDP's CEO, Bob Gamgort, an industry lifer who revived two struggling franchises, Pinnacle Foods and Keurig Green Mountain, but whose ultimate dream was building what he bills as "the first modern beverage company."

"We backed Bob with a total of $17 billion. First, when we bought Keurig and brought him in as CEO, then when we bought Dr Pepper Snapple," says Olivier Goudet, CEO of JAB, the Luxembourg holding company that has also assembled a coffee empire in Europe. (It's backed by the Reimanns, one of Germany's wealthiest families, and along with minority partners holds 44% of KDP's shares.) "It was all a wager on Bob, because he knew choosing hot or cold was getting only half of the picture. He sees consumer patterns changing before anyone else."

Over several long phone conversations, Gamgort described his blueprint to *Fortune*. "The industry viewed beverages much too narrowly," he says. "Over half of Starbucks' drinks have ice in them. When someone needs a boost in the afternoon, they may choose a coffee, or a Dr Pepper or our Adrenaline Shoc energy drink. Yet the industry and Wall Street looked at hot and cold as two completely different segments. When we merged, no one got it." His goal, he explains, was to create the broadest possible lineup. "We need to be as important as possible to a Walmart or Amazon, and we get there by offering a portfolio that meets every consumer need," says Gamgort, 58.

At $11.1 billion in revenue last year, KDP ranked as the seventh-largest food and beverage company in America. But the company has cornered something that has proved elusive to companies in the best of times, but especially during a pandemic: a broad, diversified portfolio that has churned out predictable earnings. For the first six months of 2020, revenues rose a sturdy 3% to $5.5 billion, while adjusted profits jumped 11.7% to $877 million. By contrast, Coke's income dropped 15.4% from January to June, and Pepsi earnings were down 6.0% in the two quarters ending in mid-June. While KDP stuck to its earnings guidance, pledging to meet the 3% to 4% revenue and 13% to 15% earnings-per-share targets set in early 2020, the fog of COVID prompted Coke, Starbucks, and most other food and beverage players to declare the market too mercurial to forecast.

Gamgort was gaining on the giants pre-COVID and had a feeling the crisis could work in his favor, but only if the company pivoted fast and accepted that the future would be different and that what consumers wanted was changing, probably for good. "We didn't think the world would return to normal," he says. "We forged a blueprint that makes disruption our friend."

The first signal that we were living in a new world came in early March from KDP's "connected panels," the 10,000 at-home brewers linked electronically to its data centers. It was Gamgort who introduced the panels as part of his Keurig Green Mountain rescue plan. The connected brewers read the image of every K-Cup pod to identify the brand and flavor using visual recognition technology, so that KDP sees instantly any change in the daily cups families are drinking, and the names and blends they prefer. "We saw this minute-by-minute data showing people were leaving the cities and sheltering in place and that coffee consumption was through the roof," says Gamgort. That data from the at-home coffee side also showed what was coming in soft drinks. "We knew few people would be stopping to buy drinks at gas stations or local stores or in restaurants," says Gamgort. He immediately anticipated that in the stay-at-home economy, families would be stockpiling soda by purchasing where they could buy big quantities in a single trip, at the megastores such as Walmart and Kroger.

"We predicted they'd want big packs of cans, because they're easiest to store in the garage," says Gamgort. "Cans stay fresher than bottles, and the kids and adults can pull out a can at a time." The rub was that Gamgort saw no way his domestic can suppliers could possibly make enough of them. Miraculously, the Mexican government declared beer a nonessential product, shuttering factories and leaving the local canmakers with loads of capacity. "We pounced on that opportunity," recalls Gamgort. "We told the producers in Mexico, 'We'll take all the cans you can give us.' Competitors ran out of cans. We got the cans."

KDP ramped up production of 12-packs of cardboard-bound 12-ounce cans and cut back on bottles. KDP employs a direct-store-delivery or DSD model, meaning that in three-quarters of the nation, KDP's 6,000 trucks deliver shipments from 160 distribution centers directly to stores as varied as a 7-Eleven to a Kroger. Then, a KDP merchandiser wheels a "U-boat" cart carrying the brands to the beverage aisle and personally stocks the shelves. The merchandisers often visit a big store several times a week for three

34% SHARE OF THE INCREASE IN OVERALL CARBONATED SOFT DRINK SALES KDP HAS CAPTURED

82% PERCENTAGE OF THE TOTAL COFFEE POD MARKET THAT KDP CONTROLS

SOURCES: THE COMPANY; CONSUMER EDGE

or four hours. They transmit up-to-the-minute updates on what's selling and how fast to KDP's data centers. "If you just ship to the retailer's warehouse, you don't get that kind of data and don't realize for another week what's selling. By then it's too late," says Gamgort.

Other trends were emerging too. Demand for classics such as Canada Dry ginger ale and A&W root beer took off. "We cranked up the bestsellers and made a lot less of the slower moving varieties," says Holand Lujan, who heads KDP's distribution network in the South. Factories cut way back on Cherry 7 Up and Diet Squirt. But the swing to big sellers made the merchandisers more productive. The pallets that used to contain 55 separate items were carrying as few as 15, in much bigger quantities, cutting the time required to stock shelves.

"WE FORGED A BLUEPRINT THAT MAKES DISRUPTION OUR FRIEND."

—BOB GAMGORT, CEO, KEURIG DR PEPPER

Coffee followed the same pattern. The company's Keurig brewers are the bargain "razor" sold near breakeven to lure customers to the lucrative "blades," KDP's K-Cup pods. KDP produces an estimated 10 billion-plus pods a year, an astounding 82% of the total market. It buys and grinds the coffee, fills the pods, and distributes to stores both for brands it owns, led by Green Mountain and Original Donut Shop, and under some two dozen names it licenses, among them McDonald's McCafé, Newman's Own, and Krispy Kreme (it also packs the pods for Starbucks and Dunkin' Donuts). Once Gamgort saw customer pod usage spike, "I turned our factories to maximum output, way in advance of retail orders. We were watching inventories build when we hadn't seen any sales yet." The connected brewers also showed that people were drinking much more premium coffee, perhaps because when you're not getting a $3 cup at Starbucks, you're fine spending 70¢ on a gourmet K-Cup. Once again, KDP greatly increased production of such staples as Green Mountain, and temporarily halted production in niche brands. At the peak, at-home K-Cup pod sales were running 30% higher than last year, an extraordinary number for a product that grows in the mid–single digits.

The question now for the self-professed challenger is how to achieve strong growth in two slow-to-modestly expanding businesses. So far, KDP has managed to translate revenues waxing at around 3% into adjusted earnings gains in the 15% range. But it's generating those outsize leaps in profits chiefly by lowering expenses and reaping big savings from the merger. When cost cutting runs its course by the close of 2021, Gamgort will need to garner much higher revenue growth. "He wants sales growth of 5% to 6% a year, not the couple of points a year that are the norm in the business," says Paul Michaels, a KDP director and former global president of Mars, where he was Gamgort's boss and mentor in the 2000s.

In beverages, that's a high bar. It's likely that KDP will give back at least part of the big 1%-plus gain in market share that its jackrabbit moves won in the pandemic, something Wall Street anticipates as evidenced by the stock's flatline performance over the past year.

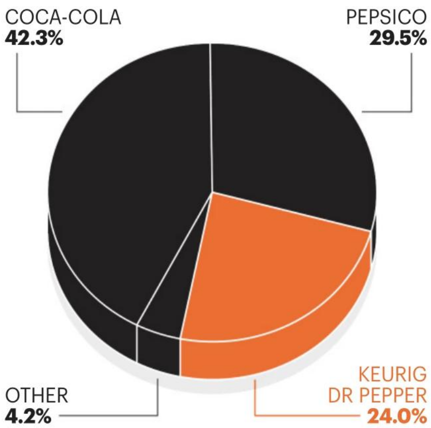
But looking ahead, Gamgort has several things working in his favor. First, starting around 2021 KDP will have retired enough debt that it can use its formidable free cash flow for acquisitions. Gamgort proved to be a master at purchasing and growing brands in the past; he built Mars' pet food franchise to rival Ralston Purina's through acquisition of Greenies and other names and revitalized Pinnacle's tired portfolio with a move into healthy frozen foods via the purchases of Birds Eye vegetables, Evol natural meals, and Gardein, maker of plant-based protein foods.

Second, Gamgort recognized that getting Keurig brewers in more households was what growing K-Cup pods was all about. He sharply cut the prices of the cups and machines, taking a temporary hit to sales to lure more customers, and in the process doubled the number of U.S. homes with brewers to the current 31 million, representing about one household in four. That leaves plenty of room to run: In Europe, over 50% of all homes have brewers. Here, the changes in customer tastes in the pandemic are likely to stick.

Third, the "flavors" sector (carbonated drinks that aren't colas) is already growing a point or more faster than soft drinks as a whole. Adding new flavors to old-line brands

MARKET SHARE FOR CARBONATED SOFT DRINKS
(BASED ON REVENUES)

(B SED ON REVENUES)



20 WEEKS ENDING JULY 26, 2020 SOURCES: CONSUMER EDGE; IRI

can provide an extra lift. Two promising entries off to fast starts are spicy Canada Dry Bold, and Dr Pepper & Cream Soda.

The fourth lever is called Allied Brands, which acquires names typically owned by entrepreneurs or private players (think Adrenaline Shoc, a sports drink invented by beverage legend Lance Collins, or Don't Quit! protein shakes from Jake "Body by Jake" Steinfeld). In the past, the old Dr Pepper Snapple would distribute such brands but didn't secure the rights to buy them if they took off, and would often lose out to Coke or another big bidder. Once again, Gamgort broke the mold. He'll offer to make a new beverage an Allied Brand only if the owner agrees to give KDP the right to purchase it based on a predetermined formula.

But perhaps the best thing Gamgort has going for him is that he's embracing—rather than dreading—the uncertainty that lies ahead. "Our rivals are rolling over and hoping that the status quo returns, and it's not returning," he says. That paradigm-busting audacity has given KDP the biggest caffeine buzz in beverages. ■

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THE FUTURE OF HEALTH CARE MAKES ROOM FOR WELL-BEING

What does it mean to be well? For many companies and individuals, the answer is evolving.

OVER THE PAST FEW YEARS, THERE'S been a growing recognition by employers and employees alike that wellness extends beyond traditional health care. The pandemic, which has impacted virtually every aspect of daily life, has only emphasized the importance of factors such as emotional and financial health, social connections, and a sense of meaning and community.

"We've seen an increase in things like stress, anxiety, feelings of isolation, and depression," says Christine Muldoon, vice president of marketing and strategy at WebMD Health Services. "Employees are exercising less, and more of them are working from home. They are missing their coworkers, but they also don't feel safe returning to work yet."

Just as employees don't all share the same health issues, they don't all share the same life challenges—another reality intensified by the pandemic. For example: A new mother might be overwhelmed by the dual demands of work and childcare; an entry-level employee with student debt might have anxiety about money; an employee who recently lost a loved one might be dealing with feelings of loss and grief. And research indicates that common stressors aren't equal-opportunity offenders. A recent WebMD survey of full-time employees at large companies found that since the start of the pandemic, caregiving has disproportionately fallen on women. Meanwhile, in a separate WebMD survey, millennials reported higher levels of social isolation and loneliness than older workers.

To serve all employees, wellness programs need to be customizable, Muldoon says. Many companies are moving away from standard, cookie-cutter health-and-wellness solutions. WebMD's wellness platform, for example, allows organizations to personalize their offerings based on an employer's size, location, and the needs of its workforce, including whether employees are in person or remote. Just as crucially, it enables individuals to determine which wellness areas are most important to them and build a plan that prioritizes those goals.

Muldoon says that employee wellness programs of the future will be shaped by our expanding cultural understanding of wellness. "It will continue to evolve to be more holistic," she says. ■

WHAT BUSINESS NEEDS FROM THE 2020 ELECTION

This is a crossroads moment for the U.S. economy. Business leaders are eager for short-term action to mitigate the pain of the pandemic and long-term solutions to ensure healthy growth. Here are the top priorities for companies and workers—from Wall Street to Silicon Valley to small business and beyond.

BY GEOFF COLVIN

ERIN CLARK—THE BOSTON GLOBE VIA GETTY IMAGES

ASK CATHERINE MONSON what she wants most from the election, and her first words aren't about issues like tax rates, trade, or regulation, at least not directly. She's CEO of Fastsigns, a franchisor of stores that make custom signs and graphics products, with about 700 franchisees worldwide, so all those issues affect her business. But what does she want most? "What helps us is certainty, the ability to plan," she says. "Every presidential election now, you don't know what's going to happen. We don't want regulatory or policy whiplash. We want predictability."

As America's business leaders think about what they need in the postelection world, they keep coming back to the same words—stability, predictability, certainty. They've also got specific policy wish lists. But while the policies vary by industry, business leaders across the economy acknowledge the same overarching desire for a more temperate political climate. "The business community is a small-c conservative group," says Douglas Holtz-Eakin, former director of the Congressional Budget Office and now president of American Action Forum, a center-right think tank. "They don't like rapid and radical change."

That's understandable, because many companies grow by making large investment decisions that may take years to pay off. Yet as ardently as businesspeople want this election to produce greater policy stability, they're unlikely to get it. The more probable outcome is that business will have to adapt to a disorienting new rule book in Washington and in government at all levels nationwide.

This election comes at a crucial juncture for the U.S. economy, with both business leaders and frontline employees seeking answers about the best way to move past the pandemic. Given the stakes, we examined the top priorities for a range of industries, from Wall Street to Silicon Valley, and for the workforce overall.

All eyes are, of course, on the race for the White House. Business leaders are uncertain of Vice President Joe Biden as President. They're wondering if he'd be the moderate Joe of his Senate years, working across the aisle, or if he'd push the priorities of the Democrats' left wing, whose support he needs. And the business community is grateful that President Trump kept his two main promises to them—lowering taxes and reducing regulation—during his first year in office. But managers on the whole don't like Trump's escalating trade wars, anti-immigrant policies, and chronic policy flip-flopping—all of which have contributed to growing concerns about a second term for the President. (For more on the choice voters are facing, see "Are We Better Off Than We Were Four Years Ago?" in this issue.)

The Conference Board's measure of CEO confidence reflects the change of mood. While CEOs are more confident than they were last spring, in the darkest early days of the pandemic, they're still nowhere near as confident as they felt in Trump's first year.

RISING ANXIETY

On the broad issue of uncertainty, it's tempting to accuse business leaders of whining. After all, life is uncertain. Wasn't it ever thus? Actually it wasn't. Researchers from the University of Chicago, Stanford, and Northwestern University created a policy uncertainty index based on computer analysis of news reports going back to 1985. It shows that policy uncertainty has recently been higher than ever, by a hefty margin.

The tumultuous policies that have wearied so many are highly correlated with President Trump's mercurial nature. He has reset the plans of multibillion-dollar industries with a single tweet. Last December, for example, he tweeted, "effective immediately, I will restore the Tariffs on all Steel & Aluminum that is shipped into the U.S. from [Brazil and Argentina]." The Dow plunged 326 points on the news. Eighteen days later he took it all back. No tariffs. Trump, who has said his unpredictability gives him a competitive advantage, has made several such reversals.

In addition, while business has generally applauded Trump's broad regulatory rollbacks, some companies have found them too impulsive. When he said he'd all but eliminate an Obama regulation reducing auto emissions, California said it would continue enforcing the existing rule. Four major carmakers—Ford, Volkswagen of America, BMW, and Honda—negotiated with California to adopt a new, slightly weakened rule that they would apply to all their vehicles nationally. In a joint statement, they said the deal gave them "much-needed regulatory certainty."

CRAVING COMPROMISE

But it isn't just Trump. Lurching policy swings are inevitable as partisanship, tribalism, and extremism increase broadly in U.S. politics and society. Trump's Tax Cuts and Jobs Act was enacted in 2017 with zero Democratic votes. President Obama's Affordable Care Act was enacted in 2010 with zero Republican votes. Businesspeople now must struggle to make plans knowing that epochal legislation could be repealed the moment the other party gets a majority, as it someday will.

In that environment, some business leaders want this election to produce divided government. "They want more stability," says a former Capitol Hill staffer who now advises major corporations, "and the most stable outcome would be a Biden win but a Republican Senate." Divided government forces the two parties to engage and compromise in order to enact legislation. It has been the norm for most of America's post–World War II history, and research has shown that it's better than unified government for the economy and the stock market. But businesspeople shouldn't get their hopes up.

Vote-splitting is in steep decline. In 2016, for the first time since the direct election of senators began in 1914, every state that went for the Democratic candidate (Hillary Clinton in this case) and was also electing a senator chose a Democratic senator, while every state that went for the GOP candidate (Trump) and was also electing a senator chose a Republican.

The trend continued in the 2018 midterms. Elections analyst Geoffrey Skelley at FiveThirtyEight studied states that were electing both a governor and a senator. His conclusion:

4 BIG PRIORITIES

If the election's winner can work with Congress, and Congress can stifle its internal warfare—big assumptions—here are four of the business community's top priorities:

A SUBSTANTIAL NEW PANDEMIC RELIEF BILL

"Measures to fully and quickly recover from the pandemic-induced recession" are the No. 1 priority for the U.S. Chamber of Commerce, Washington's largest lobbying organization, says chief policy officer Neil Bradley. Many other major business associations feel similarly. It's a sign of Washington's debilitating partisanship that Congress can't agree on a bill that any legislator ought to be happy to take home. "We've been surprised," says Bradley. "Extending benefits is not just good policy, it's good politics."

MOSTLY OPEN LOW-TENSION TRADE AGREEMENTS

Business generally hates the trade war with China and hastily imposed tariffs on U.S. allies such as the European Union and Canada. For every industry protected by a tariff, several others are hurt by the increased cost of the tariffed item; for example, "End the trade war" is the No. 1 policy priority of the National Retail Federation, whose members rely on Chinese merchandise. Additional industries are hurt by tit-for-tat tariffs imposed by other countries.

CONTINUED LOW TAXES

The Tax Cuts and Jobs Act of 2017 lets businesses expense certain capital investments, but that provision begins to phase out in 2023. In addition, the TCJA gives individuals several tax breaks—an increased child tax credit and standard deduction, for example—that are scheduled to expire at the end of 2025. Business wants those stimulus measures made permanent.

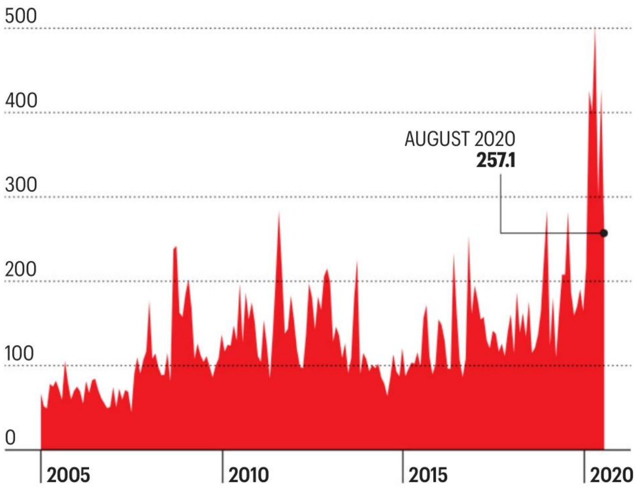
A MAJOR INFRASTRUCTURE BILL, AT LAST

Congress's failure to pass such a bill has become a running joke in Washington. Like the failure to pass a new pandemic relief bill, it's puzzling. Seemingly since the dawn of time, legislators have loved sending federal money back to their districts. But in today's hyperpartisan Washington, the two parties can no longer compromise on where the money will go, for what purpose, etc.

The business community wants large yet moderate economic action from Washington. But just trying to forestall rapid and radical policy change may no longer work. For business, come what may in November, it's time to learn how to deal with it.

NEWS-BASED ECONOMIC POLICY UNCERTAINTY INDEX

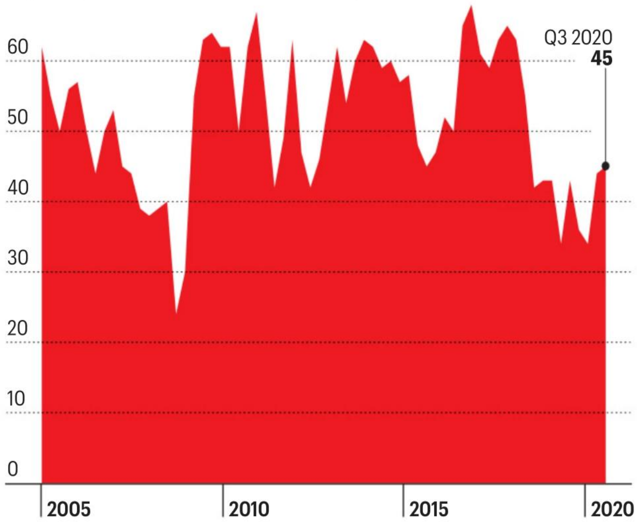
Index of search results related to economic and policy uncertainty from 10 large U.S. newspapers.



SOURCE: "MEASURING ECONOMIC POLICY UNCERTAINTY" BY S. BAKER, N. BLOOM, AND S.J. DAVIS

MEASURE OF CEO CONFIDENCE

Survey of approximately 100 CEOs detailing attitudes and expectations regarding the overall state of the economy as well as their own industry.



SOURCE: THE CONFERENCE BOARD

"Split-ticket voting hit a new low." As Americans increasingly identify themselves as members of warring tribes, they're less likely to see virtue in any candidate from the other side and far more likely to vote a straight ticket.

This year many business leaders have a particular reason for fearing that Democrats will win the White House and Senate while holding control of the House. One of the great moderating forces in federal legislation is the Senate filibuster rule, which requires 60 votes to end debate and advance an item to a floor vote. But Senate Democrats eliminated it for executive office appointees and judicial nominees below the Supreme Court in 2013, and Senate Republicans eliminated it for Supreme Court nominees in 2017 and 2018.

The filibuster remains in effect for legislation. But President Obama, Senate Minority Leader Chuck Schumer, and former Senate Majority Leader Harry Reid have all urged Democrats to consider ending the filibuster entirely if they gain control of the Senate. With control of the House and White House as well, the party could in theory enact any part of its agenda quickly and easily with simple majorities. Republicans could do the same if they eventually win the Washington trifecta.

That scenario badly worries business. "Change of some kind is likely no matter the political outcome," says Steve Caldeira, CEO of the Household & Commercial Products Association, "but it just shouldn't be radical change, especially during these volatile times."

While voters are generally split on who would better manage the economy, some prominent economists are now more bullish on Biden in this area. Moody's Analytics recently concluded that a Democratic sweep of the presidency, House, and Senate would produce much higher economic growth, more jobs, and higher real disposable income over the next decade than would a Republican sweep or divided government under either candidate as President. Goldman Sachs economists project that Biden's policies "would likely result in a similar level of medium-term S&P 500 profits as our baseline forecast that assumes no major policy changes."

The larger issue for business is adapting to the new reality in government. For decades, business has pursued its policy interests in a world where compromise and moderation usually prevailed, even after bare-knuckles combat. That's what businesspeople yearn for after this election. "How do we get back to where we can disagree and be friends?" asks Monson. "The tribalism is terrifying. The balkanization is terrifying." Yet virtually every trend is pointing toward greater division, not less.

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WHAT THE HEALTH CARE INDUSTRY ★ LOW-WAGE WORKERS ★ THE UNEMPLOYED ★ UNIONS ★ THE UNBANKED ★ RESTAURANTS **NEED FROM THE 2020 ELECTION**

Continued on page 54

DIVERSE PERSPECTIVES CREATE BETTER RESULTS

An inclusive environment at **Edward Jones** makes a meaningful impact on the lives of its clients and financial advisors.

WHEN SHE FIRST JOINED EDWARD JONES AS A FINANCIAL advisor in 1999, Kellie Wise was a single mom making a career pivot into a male-dominated field. She couldn't have predicted the soaring success she would experience in her 21 years at the firm. She advanced in the firm by adding regional leader to her core role of advising clients, eventually being named an Edward Jones principal. Among her many achievements, Wise recruited a wide range of financial advisors and was ranked among the firm's top 150 women in that role.

Being a single mother didn't hinder Wise's career—it enhanced it. "I felt valued for my perspective as a woman and as a single parent," she says. Thanks to the support she received at Edward Jones, she was able to build a successful practice and "still feel really good about being a mom," encouraging that crucial, but often unattainable, work/life balance.

Wise credits her success to the tools, initiatives, and encouragement she received on the job from colleagues and other financial advisors. "[They] wanted to see me succeed," she explains, "because when any individual does better, everybody does better." In addition to boots-on-the-ground support, Edward Jones offers recognition conferences, educational events, and programs designed to help financial advisors develop different skill sets.

For transferring or new financial advisors, support kicks in on day one through training and coaching. The firm also provides an office and a branch office administrator to help meet client and community day-to-day needs. Wise appreciated the autonomy she had to build her practice—in a way that matched her values—with the resources she needed to develop deep client relationships.

Last year, Wise stepped into a new role, leading Edward Jones' diversity, equity, and inclusion (DEI) efforts across the U.S. and Canada. Since Wise assumed this role, Edward Jones has made a five-point commitment that is reflective of the firm's core values and culture. It includes a meaningful increase in diverse recruitment strategies, racial equity training, and antiracism personnel policies, as well as a year-round program focused on fostering cultural awareness and building empathy.

Diversity, equity, and inclusion is something that Wise is particularly passionate about, given her own trajectory at the firm. "Seeking out diverse perspectives helps us identify solutions and opportunities that we wouldn't discover otherwise, and also gives clients greater choices, which is critically important to our firm," she says. "We end up with better results and better business outcomes for our clients—and for ourselves." ■

"SEEKING OUT DIVERSE PERSPECTIVES HELPS US IDENTIFY SOLUTIONS AND OPPORTUNITIES THAT WE WOULDN'T DISCOVER OTHERWISE, AND ALSO GIVES CLIENTS GREATER CHOICES, WHICH IS CRITICALLY IMPORTANT TO OUR FIRM."

KELLIE WISE
PRINCIPAL, EDWARD JONES


Sonia McCloskey
Financial Advisor
Denver, CO

THE ECONOMY

HOW TRUMP MEASURES UP ON JOBS

TEXT BY
BRIAN O'KEEFE
GRAPHICS BY
NICOLAS RAPP

LAST JANUARY, President Trump attended the World Economic Forum in Davos, Switzerland, and gave a speech previewing his pitch for reelection this fall. Speaking to the assembled crowd of global elites, Trump made the highly dubious claim that the economy he had inherited from President Obama was in a "dismal state," despite the fact that the U.S. had produced 76 straight months of job growth when Trump was sworn in. And with signature bombast, the President played his, well, Trump card. The U.S., he boasted, was "in the midst of an economic boom the likes of which the world has never seen before."

It was debatable assertion, given that economic growth had averaged a solid-but-not-scintillating 2.5% over Trump's first three years in office. But the stock market was hitting record highs, and unemployment was at a historic low of 3.6%. Campaigning on his economic expertise seemed like a no-brainer for Trump.

Then came COVID-19.

Just weeks after Trump's address in Davos, the novel coronavirus was declared to be a global pandemic. And while the U.S. scrambled to respond to a spiraling health crisis, the economy went into free fall. Some 22 million jobs were lost in the U.S. in March and April as businesses went into shutdown, and the unemployment rate spiked to 14.7%—the worst since the Great Depression.

More than half of those jobs have been recovered in the ensuing months. But the pace of the rebound has been slowing. After adding 1.8 million jobs in July and another 1.5 million in August, for instance, the U.S. created just 661,000 jobs in September. Heading into October, the unemployment rate was 7.9%.

Overall, the U.S. has some 3.9 million fewer jobs than when Trump took office. And new waves of layoffs could be coming as, say, cash-strapped local and state governments begin to wrestle with growing budget deficits.

But none of that has stopped Trump from attempting to sell voters on his economic prowess. In September, the Trump campaign began running a TV ad in battleground states that cast the President as the obvious choice in economic matters compared with his Democratic rival, former Vice President Joe Biden. "Donald Trump is the jobs President," intones the narrator. "He helped create millions of jobs." Never mind the net loss.

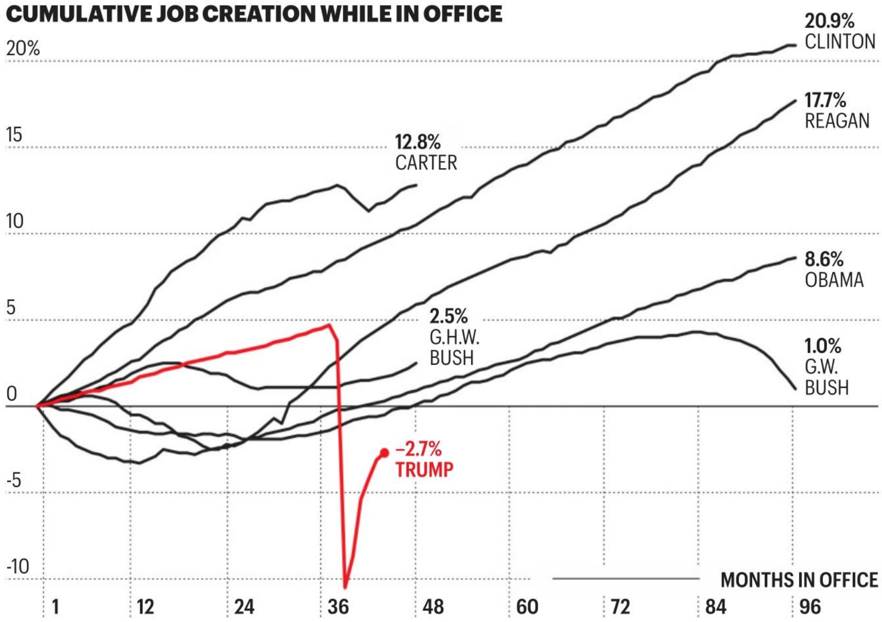
Given a second term, would Trump

U.S. UNEMPLOYMENT RATE

For the first few years of Trump's term, the unemployment rate continued its decade-long march downward, hitting 3.5% in February. In April it spiked to a devastating high of 14.7%.

JOB CREATION STARTED STRONG, THEN COLLAPSED

Trump inherited a hot economy. Average monthly job gains in each of Obama's final three years in office were higher than any of Trump's first three. Still, Trump was outpacing the first-term gains of Obama and George W. Bush before the pandemic.



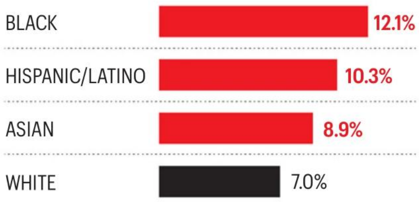
SOURCES: WHITE HOUSE; BUREAU OF LABOR STATISTICS; IHS MARKIT

G.H.W BUSH PRESIDENCY: JAN. 20, 1989–JAN. 20, 1993; G.W. BUSH: JAN. 20, 2001–JAN. 20, 2009 fulfill his promise to be the "jobs President"? Moody's Analytics, for one, predicts that Biden's policies would produce 7.4 million more jobs than Trump's over the next four years.

To get a clearer view of Trump's economic résumé, we examined his administration's record in six charts, with a focus on jobs. It's a mixed picture. His first three years in office generated solid growth, if not quite the historically great performance that he claims. The pandemic has obliterated those gains and left the nation reeling. That doesn't give Trump a pass. The administration's handling of the COVID-19 crisis must be factored into any assessment of the Trump Economy. Just how much credit or blame Trump deserves is for voters to decide.

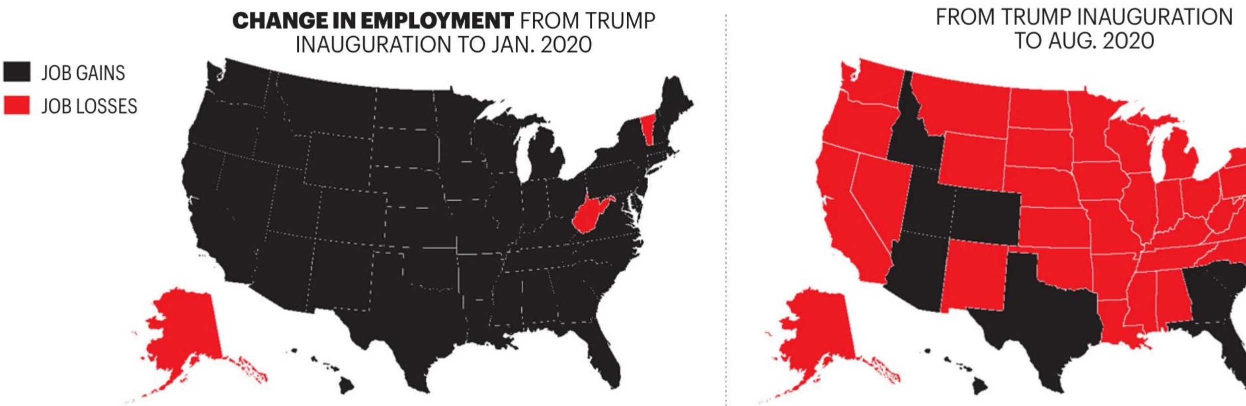
JOB LOSSES HAVE HIT NONWHITES HARDEST

UNEMPLOYMENT BY RACE



IN MOST STATES, THE PANDEMIC ERASED JOB GAINS FROM TRUMP'S FIRST FEW YEARS

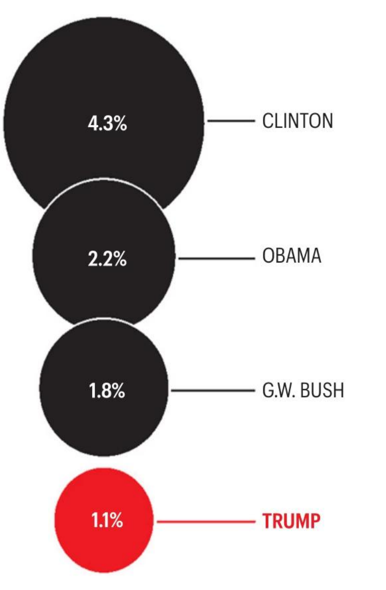
At the beginning of 2020, all but three states had seen net job gains since Trump took office. As COVID-19 swept across the nation, the picture changed completely—and dramatically. By August just nine states could report more jobs than before Trump's inauguration.



GDP GROWTH HAS TAKEN A BIG HIT

The economy averaged solid 2.5% annual growth over Trump's first three years. Then 2020 happened.

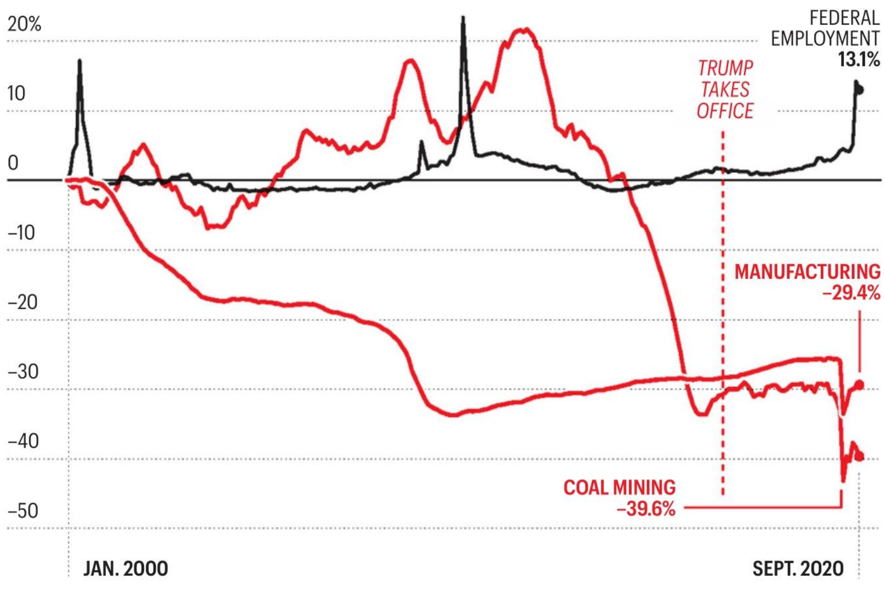
MEAN ANNUAL REAL GDP GROWTH



THE FEDERAL GOVERNMENT HASN'T GOTTEN LEANER, AND BLUE-COLLAR JOBS CONTINUE TO DISAPPEAR

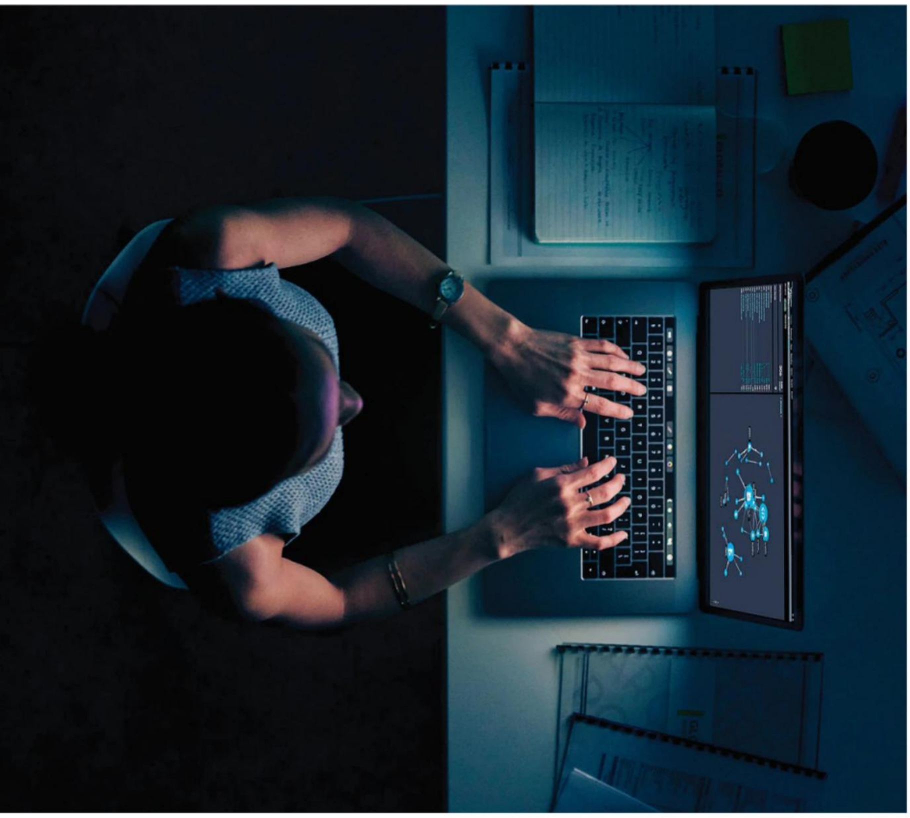
In 2016, Trump promised to bring back coal and create new blue-collar jobs. But the coal industry continues to shrink, and manufacturing employment is flat. Federal government jobs were rising even before this year's surge in hiring for the Census.

CHANGE IN EMPLOYMENT SINCE JANUARY 2000



NOTE: FOR JOB CREATION AND GDP GROWTH NUMBERS, THE MONTH OF JANUARY VALUE WAS USED FOR BEGINNING AND END OF EACH PRESIDENCY

Continued on page 58



SECURING THE ENTERPRISE WITHOUT BOUNDARIES

USING **A.I.** TO SAFEGUARD THE TRANSITION TO THE CLOUD AND REMOTE USERS.

THE COVID-19 PANDEMIC HAS RADICALLY CHANGED the shape of business, from the shift to a new remote workforce to the surge in cloud adoption. Enterprises are no longer defined by walls and perimeters, putting increased pressure on security teams to understand and manage risk.

"When firms make the digital leap, they are greatly expanding the amount of ground that they're tasked to defend," explains Raja Mukerji, chief customer officer and cofounder of leading cybersecurity provider ExtraHop. Attacks on remote desktops grew by 50% in the first quarter of 2020 alone, he notes, and brute force attacks on remote desktops now exceed 1.4 million attacks per day.

"Suddenly, once-hidden assets are now available 24/7 to employees working at home—any one of whose devices can be compromised in myriad ways," Mukerji explains. "Attackers only need to breach your defenses once to present serious and ongoing challenges."

What's more, we've seen a sudden surge in cloud adoption. While remote access due to COVID-19 might have sparked the flame, the bigger story behind the cloud surge is the acceleration of digital transformation projects. As companies seize the opportunity to push the envelope with innovation, security teams are forced to understand the risks associated with this expanded digital footprint. The onus is on security providers to help teams build secure programs without friction. From there, the opportunities for innovation in the cloud are boundless.

To address the growing scope of threats involving remote users and cloud usage, enterprises are increasingly turning to A.I.-driven cybersecurity solutions like ExtraHop's Reveal(x) 360 platform, which continuously analyzes network traffic and uses sophisticated machine learning models to detect suspicious behavior. By monitoring the data traversing cloud environments, data centers, and remote devices, the software is able to provide security teams with complete visibility, detect threats that others miss, and stop data breaches 84% faster.

"By applying A.I. and automation, we help our customers programmatically scale security measures to meet the demands of the enterprise without borders," says Mukerji. "This approach allows for greater agility, so companies can dynamically apply proportionate threat detection and response efforts to match any challenge they face."

"You can't secure what you can't see," notes Mukerji. "As organizations embrace the cloud and remote users, obtaining full visibility into the shape of every digital interaction only becomes more crucial. Attackers have innovated to evade many legacy security tactics, but the one data source that can never be turned off is the network." ■

ERIK ISAKSON—GETTY IMAGES

WALL STREET

MAKING A WISH LIST FOR BIG FINANCE

BY BERNHARD WARNER

NO MATTER how you look at it, 2020 has been rough on Big Finance. Financial stocks were the second-worst-performing sector in the S&P 500 (after energy) through the market close on Oct. 9, down more than 18%. There are plenty of culprits: Interest rates are near zero, cutting into banks' bread-and-butter lending business. Meanwhile, the pandemic has put a big fat pause on economic activity, squeezing investment banking fees and ratcheting up the risk of underperforming loans.

Even as the economy begins to recover and M&A picks up, investors continue to punish Wall Street in particular: The KBW Nasdaq Bank Index has slumped 30% this year while the benchmark S&P 500 is up nearly 8%.

In other words, Big Finance needs a big lift. Could it possibly come from Washington in an election year?

It's not such a wild question. Every four years, Wall Street lobbyists draw up a wish list to put in front of the incoming administration. They usually start working on it well before Inauguration Day. Here's what could be in such a memo this year:

TAXES

It's no secret that President Trump has been a tax hawk, slashing the corporate tax rate from 35% to 21%, a move that went into effect in 2018. The result was a boost for the stock market and a windfall in trading revenues for the banks. The downside? Mammoth deficit-spending that will have to be paid off down the road—either through increased taxes or through fiscal austerity measures. (Spoiler: Even before the coronavirus pandemic, the economy just wasn't growing fast enough to magically plug that deficit hole.)

Just about every *Fortune* 500 CEO, Wall Street bosses included, wants to see this corporate tax rate hold steady. And so they're a bit concerned with Democratic presidential candidate Joe Biden's proposal to lift the corporate rate to 28%, or halfway back to where it was before 2018. The rest of the Biden tax plan seeks to weaken Trump's 2017 Tax Cuts and Jobs Act by raising taxes on a combination of income, Social Security, long-term capital gains, and qualified dividends for the upper-income brackets.

Unless it's a clean sweep by the Democrats, none of this will happen. But the finance pros are still running the numbers on any and all possibilities, and what it would mean.

"I think if there was really to be a significant increase on taxation, on dividends, it would hurt dividend-paying companies and those sectors—utilities, consumer staples, and financial—that rely more heavily on them," says David Bahnsen, founder and managing partner of the Bahnsen Group, a private wealth management firm with $2.5 billion in client assets under management.

But, Bahnsen adds, Wall Street—and he's also including investors like his clients—is not freaking out about the prospect of higher taxes. There's concern, but not full-on alarm. "Obama," he notes, "had all the political capital to let Bush's tax cuts sunset in 2010. And he punted it out two years and cited, accurately, that it would be a bad thing to do in the midst of an economic recovery. I have every expectation that Biden would do the same thing."

And besides, he adds: "What we do know is that not a single President in American history has had a tax plan in their campaign that then got photocopied and became a tax law. Ever."

So wish-list item No. 1 might well be: Don't do anything drastic with taxes.

INFRASTRUCTURE SPENDING

The irony of this one is well known to Washington insiders—and Wall Street too is now grasping the cruel twist. It goes something like this: Unlike with tax policy, there is actually plenty of bipartisan support for vast spending measures to rebuild America. And yet there's little to no chance that, say, a Democrat-controlled Congress would give a Republican President the pleasure of signing such a spending bill into law. And vice versa. It would almost certainly require one-party control to get a massive fiscal stimulus spending package to come to fruition.

Corporate America would love a big fat spending bill to jump-start the U.S. economy. And Big Finance would be among the industries to benefit most from any incentives that led to a building boom, particularly one that got America back to work. If nothing else, such a reality would conceivably lead to the conditions needed for the Federal Reserve to eventually raise interest rates again, a move that would help banks' balance sheets dramatically.

Item No. 2 for Wall Street can be summed up in three words: Spend, spend, spend.

FREE TRADE

Trump's trade wars have put a chill on global business activity, and that has come home to roost on the bottom line of America's biggest companies. Exporters are hit hard. But the impact can be felt across the economy, including on Wall Street. Consequently, Jeff Buchbinder, vice president and market strategist at LPL Financial Research, calculates that the removal of trade tariffs with China would add billions to the earnings of S&P 500 companies.

Under a Biden presidency, Buchbinder reckons, "you'd get spending potentially—green-energy spending, infrastructure spending, and the like—plus reduction or elimination of some China tariffs. That would offset some of the drag on corporate earnings that you'd get from the possible corporate tax increase."

At the moment, the consensus estimate is for the earnings per share of S&P 500 companies to climb nearly 20% year over year in 2021—that's in a world of low taxes and free(r) trade. For example, the EPS boost alone from the removal of Chinese tariffs would amount to a 16% increase in corporate profits. Keeping the corporate tax rate as is would result in a smaller, but still meaningful, 10.6% rise in profits.

Wish-list priority No. 3 is clear: Go back to free and open global trade.

REGULATION

Wall Street is always wary of more regulatory scrutiny. This year is no different. But if Biden defeats Trump, the feeling is that an economic recovery will be the administration's top priority, and oversight of Wall Street—including its stock buyback practices, one hot-button issue that's garnered bipartisan attention—will remain on the back burner.

Thus item No. 4 on Wall Street's wish list could be: Stick with the status quo on regulation, and let us focus on helping to get America's economy off the floor.

Trump's trade wars have put the chill on global business, and that has come home to roost on the bottom line of America's biggest businesses.

SMALL-BUSINESS OWNERS

ZEROING IN ON AN ECONOMIC RECOVERY

BY ANNE SRADERS

THERE ARE a handful of numbers that capture the impact of the pandemic for Jesse Jacobs: 90% down, 100 to six, four to zero.

Those figures encapsulate the hit his small business, Samovar Tea, has taken in revenues, employee count, and number of stores open, respectively. "Now we're essentially using our own life savings and credit cards," Jacobs tells *Fortune*, explaining that his San Francisco–based company has pivoted to online sales. "That's basically where we're at."

With numbers like those, small-business owners such as Jacobs are a little preoccupied—even as a consequential election looms in November. As a blanket wish, he says, "our needs would be met best by the right leader who has a calm, optimistic outlook with tactical solutions that benefit small business."

A presidential election is always a marquee event—but 2020 is different. A deadly pandemic has consumed the U.S. for the better part of seven months. And many of the more than 30 million small businesses in the U.S., a lot of which operated on narrow margins in the best of times, have been especially hard hit. So owners are understandably zeroed in on their own survival and the prospects for a bounce back in the economy.

In fact, the economy is easily the top concern for small-business owners in the election, according to a recent survey by MetLife and the U.S. Chamber of Commerce. (And 62% of respondents report being more interested in the outcome of this election than in 2016.) Other hot-button national issues such as health care and tax policy, while still important to them, are somewhat overshadowed. “Because they’ve seen such a deep decline in revenue, I don’t think there’s been much discussion as it relates to a national election and … the ramifications of a Democrat or a Republican being in the White House,” Bill Wilkins, a manager at the East Brooklyn Business Improvement District, tells *Fortune* of the small businesses in his community. “I’m working in an underserved, financially challenged community where everyone has to grind and make it. People are in survival mode.”

When *Fortune* asked small-business owners what they needed from the 2020 election, one common answer was this: more certainty and more financial help.

After expeditiously passing a massive $2.2 trillion relief package back in March, Congress has been tied up in a battle over a fresh round of support for small businesses—and some owners are facing a time crunch.

“If economic trends continue at this rate, one in five business owners anticipates they won’t make it until the end of the year,” says Kevin Kuhlman, the vice president of federal government relations for the National Federation of Independent Business (NFIB), a nonprofit small-business advocacy group.

Even in parts of the country that are largely reopened, getting another loan, like those through the Paycheck Protection Program (PPP), will be “integral” for small businesses “making it in next steps,” Jennifer Hensley, the executive director of the Downtown Boise Association in Idaho, says of her community. Meanwhile, businesses in industries like retail, which already received funds, “need more loans; they need more forgiveness; they need automatic forgiveness for small loans; they need less paperwork,” says David French, senior vice president of government relations at trade group National Retail Federation.

But many small-business owners don’t want the same kind of “Band-Aid,” as they describe it, that the CARES Act placed on their businesses’ bleeding gashes. For many of them, something more long-term is essential to seeing their businesses through the indefinite period of time the pandemic will affect them.

“We need a commitment for the duration, not just a small stint, so that we have the confidence to move forward and plan, which is so much a part of running a small business,” says Sara Conklin, the founder of Glasserie, a restaurant in Brooklyn. Conklin’s business got a PPP loan, as revenues dropped roughly 50% during the pandemic, but with winter coming, she’s nervous. That extra aid is perhaps especially crucial for businesses in the hospitality and retail industries, which have been among the most affected by shutdowns, representatives for the National Restaurant Association and the National Retail Federation tell *Fortune.*

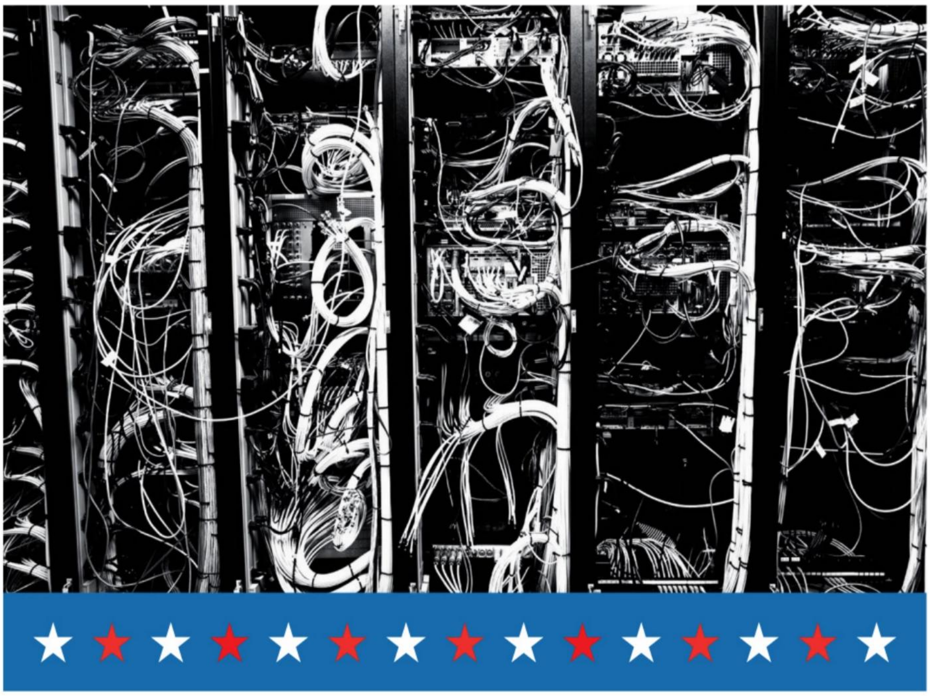
> “If economic trends continue at this rate, **one in five business owners anticipates they won’t make it until the end of the year.”**
>
> —**KEVIN KUHLMAN,** VICE PRESIDENT OF FEDERAL GOVERNMENT RELATIONS FOR THE NATIONAL FEDERATION OF INDEPENDENT BUSINESS

Public policy think tanks like the Economic Innovation Group (EIG) have advocated for long-term, low interest loans (the group has suggested 20- to 30-year terms at fixed interest rates of 1% or less) to give small-business owners more than just a few months of support, the group’s president and CEO John Lettieri said on a recent press call.

That longer-term support may be key, because, according to the Chamber of Commerce and MetLife’s new poll, more than half (55%) of small businesses said it would still be “six months to a year” for business in the U.S. to get back to normal.

But longer-term support needs to look a bit different for Black-owned small businesses, argues Ron Busby, the president and CEO of the U.S. Black Chambers. Black-owned businesses were some of the hardest hit by the pandemic, with a more than 40% drop in active Black business owners early in the pandemic. With those businesses closed, “we don’t want loans,” Busby says. That’s why he suggests Black business owners need “money for startups, money for start-over firms, and that’s what the PPP and other programs have left out of the conversation.”

Meanwhile, the U.S. Chamber’s vice president of small-business policy, Tom Sullivan, points out (per the group’s survey) that one-third of small businesses actually report plans to increase investment in 2021, noting that “if they’re going to be putting their money where their optimism is, they want 2021 to be pretty darn good, and their elected leaders are the ones who are going to either make or break that environment.”



SILICON VALLEY

TECH SEEKS A SOLUTION TO BIPARTISAN DISDAIN

BY DANIELLE ABRIL

DURING THE 2020 presidential campaign, Democrats and Republicans have found a mutual target: Big Tech. "Regardless of who wins, Silicon Valley has been able to unite the parties in their distrust of the tech sector," says Scott Stern, a management professor at MIT who has researched government innovation policy. "You see that generally across a swath of issues."

Tech behemoths Google, Facebook, Amazon, and Apple have been subjected to intense scrutiny for their business practices. And politicians on both sides of the aisle have laid into various big tech companies over their data collection practices and failure to police misinformation on their services and for allowing hate speech to flourish.

Liberals like Sen. Elizabeth Warren (D-Mass.) have called for Big Tech to be broken up. They say that tech companies have become too powerful, used people's private information for profit, and stifled innovation by squashing their competition. Meanwhile, many Republicans, including President Trump, claim social media companies have unfairly censored conservatives.

So Silicon Valley is going on a policy offensive. In the coming year, tech companies plan to push a smorgasbord of policy changes, each of which will have its own political implications. They want to close the digital divide by making the Internet accessible to more people, and they want the government to invest more in IT infrastructure and reduce obstacles to trading with international customers—issues that don't appear to be partisan. But tech companies also plan to focus on more divisive topics like loosening visa rules so they can more easily hire foreign workers.

The biggest battle for Big Tech will be over antitrust law, an increasing source of tension over the past few years. Federal regulators are already investigating Apple, Amazon, Google, and Facebook.

It's unclear whether a Biden or a Trump administration would be more favorable to Silicon Valley, experts and lobbyists say. "It's nuanced," says Angie Kronenberg, chief advocate and general counsel at tech lobbying group Incompas, which represents companies including Google, Amazon, and Facebook.

The Trump administration hasn't released a list of proposed tech policies for the 2020 election, leaving many to guess what it might focus on in a possible second term. But the White House's track record provides a guide. For example, in June, Trump announced a temporary ban on H-1B visas that allow U.S. companies to employ foreign workers in certain jobs. Silicon Valley has depended on these visas to employ large numbers of programmers. Trump has also taken aim at Section 230 of the Communications Decency Act, a key law that protects online platforms from being held liable for what their users post.

Biden has more support from the mostly left-leaning employees of Big Tech. But a Biden administration would pose its own challenges to the tech industry. On the campaign trail he's already raised the issues of hate speech and online misinformation, demanding that Facebook CEO Mark Zuckerberg clean up the "rants of bad actors and conspiracy theorists."

Some political and tech experts suggest a Biden administration might empower antitrust regulators and push for more aggressive measures against Big Tech. "Joe Biden is not Elizabeth Warren," Nathaniel Persily, codirector of Stanford University's Cyber Policy Center, says. "But there is a renewed appetite for greater regulation of Silicon Valley coming from the left."

Regardless of who occupies the White House for the next four years, one thing is clear: Big Tech must win back the trust of customers on both ends of the political spectrum.

JAN COBB—GETTY IMAGES

WORKING PARENTS

REFRAMING THE CASE FOR CHILDCARE

BY MICHAL LEV-RAM

IT WAS an imperfect moment, which is why it captured the current state of parenting so perfectly.

In a gray mask, California assemblywoman Buffy Wicks (D-Oakland) implored her colleagues to vote yes on a bill aimed to expand affordable housing—while simultaneously trying to soothe her infant daughter. "We need to pass this bill," Wicks pleaded, as her 4-week-old fussed in her arms.

She did not plan to bring her baby to the floor, but she hadn't been granted the ability to vote by proxy while on maternity leave. Wicks was in the midst of breastfeeding when she heard that the housing bill had come up for debate.

"I quickly detached her, threw a blanket on her, and ran down two flights of stairs to the floor to speak," the assemblywoman says. "Elly [Wicks' daughter] did not appreciate the moment."

But many others did. By the time Wicks made it home, the video was going viral. Wicks' inbox was flooded with thousands of emails from commiserating parents.

"My hope is that this continues to drive a national conversation," says Wicks. "From a policy point of view, we are failing families."

The pandemic has shone a light on a longstanding deficiency: Unlike many wealthy nations, the U.S. lacks universal childcare. For decades, the care of children has been viewed as a personal problem. Now the problem is being reframed as an economic one: If we don't make it possible for parents to return to work, our economy suffers.

Childcare issues are not new, but they are bubbling up with renewed urgency and could play a large role in the election. "This is an issue that resonates in red states and blue states," says congresswoman Katherine Clark (D-Mass.).

What's at stake? According to the Center for American Progress, nearly 50% of day-care centers could be forced to shut down if they don't receive more assistance. That could have a massive impact: Parents with children under 18 make up one-third of the workforce, and in order for the economy to ramp up again, parents need a reliable and affordable place to send their children.

Many are optimistic that now the time has come to make the childcare issue top of mind.

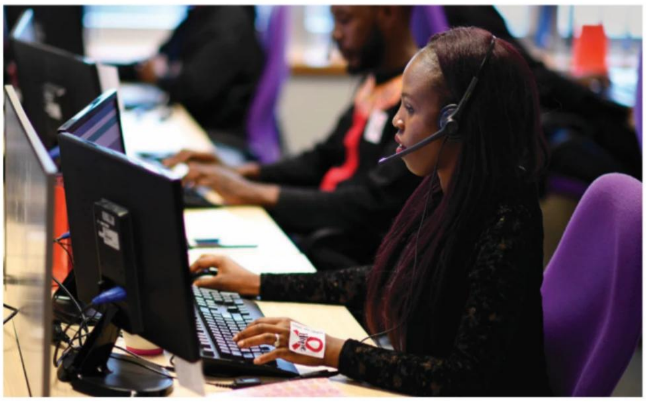
Joe Biden has backed a bailout for the childcare industry. According to Biden's campaign, the plan will cost $775 billion over 10 years and will be paid for by rolling back tax breaks for real estate investors with incomes over $400,000, among other means. The proposal also includes a federal parental policy granting up to 12 weeks of paid leave.

President Trump has laid out proposals that aim to fix the broken childcare system. Late in 2019, the Senate passed a bill backed by Ivanka Trump to fund paid family and medical leave for federal workers. Also last year, Trump doubled the maximum for a child tax credit to $2,000. But ironically, some low-income families don't qualify because they earn too little. Trump's administration also says it has established "bipartisan consideration of national paid family leave." It's a start, but not enough to close the gap for too many working parents. ■

GEORGIJEVIC—GETTY IMAGES

A HAND UP

With **impact sourcing,** companies elevate workers' prospects and prosper.



MEANINGFUL CAREER PATHS often elude young adults who live in poverty and other groups hampered by high rates of unemployment. Lacking skills and access to training, many struggle just to earn a stable living.

But that's changing as companies discover advantages in impact sourcing, a growing segment of the outsourcing landscape. Impact sourcing prioritizes suppliers who hire and create advancement opportunities for workers who'd otherwise face bleak career prospects.

The approach is gaining mainstream recognition. For example, this fall, the International Association of Outsourcing Professionals (IAOP) is launching its Impact Sourcing Champions Index, a compilation of companies that stand out for how they've used impact sourcing to make a difference, both in business and in workers' lives.

"This isn't a trend anymore—this is a solid business practice," says IAOP CEO Debi Hamill. "It creates a lot of loyalty, higher levels of employee engagement, and lower attrition rates."

The new index includes such leaders as iContact, a business process outsourcing firm with operations in Johannesburg and Cape Town, South Africa. Its 1,200 employees handle customer service for sectors as varied as retail, health care, and banking.

About 90% of iContact employees are recruited through impact sourcing, according to chief commercial officer Trent Lockstone. The average age is 23, and 65% are women and 10% are disabled. Many come from townships with no electricity or running water.

But their outlook is bright. They're gaining professional skills and transferable credentials in areas such as business administration and contact center management.

"If you do it properly," Lockstone says, "you can meet the requirements of impact sourcing and still exceed the matrix of what your customers want."

Find out more at *IAOP.org/ISCindex*

MPW

FORTUNE MOST POWERFUL WOMEN

THE PANDEMIC AND ITS HUMAN and economic toll. The fight for racial justice. The climate crisis.

No one needs a reminder of the existential threats the world is contending with in 2020—we're living them every day. And the impact of these crises is anything but short-term: They will remake our lives over this new decade and beyond.

Simply put, 2020 is the year when we said a final goodbye to business as usual.

So as we prepared our 23rd Most Powerful Women list, it became clear that the approach we have taken with this ranking for the past 22 years must change too.

Since its beginning in 1998, this list has relied on four criteria: the size and importance of each woman's business in the global economy; the health and direction of the business; the arc of her career; and her social and cultural influence. This year, we added a new dimension: We wanted to understand *how* an executive is wielding her power. In this moment of crisis and uncertainty, is she using her influence to shape her company and the wider world for the better?

That's why you'll see as our new No. 1 Accenture CEO Julie Sweet, who is steering the professional services firm—valued at nearly $150 billion—as it helps its clients navigate this new world order. Carol Tomé, the former CFO of Home Depot, lands at No. 5, having taken on the top job at UPS just as the shipping giant is playing an increasingly critical role in the coronavirus economy (for more on Tomé, see "The Conversation"). Jane Fraser, the incoming CEO of Citi, is making her return to the list at No. 6. She is breaking one of the most formidable glass ceilings by becoming the first female CEO of a major Wall Street bank (see page 82). Topping our international list (page 78) is GlaxoSmithKline CEO Emma Walmsley, whose pharmaceutical operation is central to the fight against COVID-19.

To be clear, business performance still matters as much as it ever has. The retail world is a prime example of an industry in which the disparate impact of the pandemic shook up this year's list: While the CEOs of some struggling retailers fell off our ranking, it elevated executives like Walmart International CEO Judith McKenna (No. 10) and Home Depot

WRITTEN BY

Danielle Abril, Kristen Bellstrom, Robert Hackett, Matt Heimer, Emma Hinchliffe, Aric Jenkins, Beth Kowitt, Michal Lev-Ram, Sy Mukherjee, Aaron Pressman, Lucinda Shen, Anne Sraders, Jonathan Vanian, Phil Wahba, and Jen Wieczner

executive vice president Ann-Marie Campbell (No. 15)—both hailing from companies poised to emerge from this period stronger than ever.

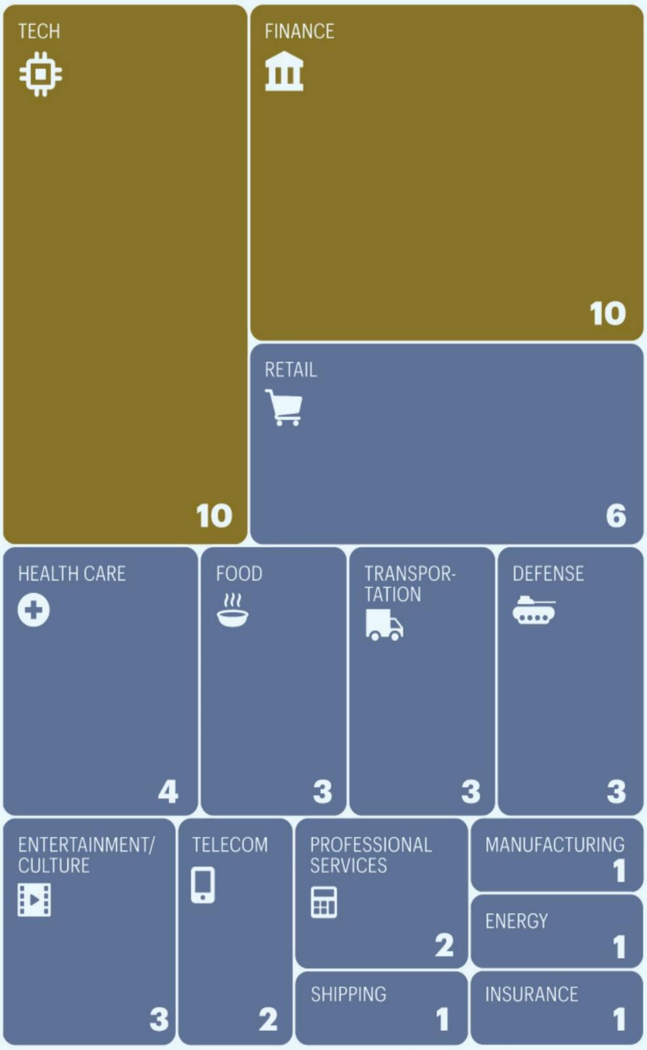
But in other industries, the new criteria tipped the scales. Iconic tech executives like Facebook COO Sheryl Sandberg (No. 8) and Google's Susan Wojcicki (No. 18), CEO of YouTube, both dropped in their rankings. Through the lens of our new metric, their failure to rein in misinformation on their platforms overshadows their companies' strong financial performance.

In addition to the 16 public company CEOs on our domestic list—whose companies account for more than $1 trillion in market cap—newcomers made their debuts in roles that are crucial in the quest to build more socially and environmentally conscious companies. Former EPA administrator Lisa Jackson (No. 35), who heads Apple's sustainability efforts, reports directly to CEO Tim Cook and is responsible for ensuring that the tech juggernaut hits its goal of becoming carbon neutral by 2030. Intel chief diversity and inclusion officer Barbara Whye (No. 40), an engineer by training, is not only making sure her company reflects the true composition of the U.S. workforce but is also helping to set standards and metrics across the tech industry. At Amazon, former GM executive Alicia Boler Davis (No. 12) has the massive task of keeping the company's hundreds of thousands of warehouse employees safe as they work on overdrive to meet ballooning consumer demand (see page 88).

Our list this year also reflects industries that have not had much of a presence in our rankings in the past. As president and COO of SpaceX, Gwynne Shotwell (No. 48) is sending astronauts into space from U.S. soil for the first time in years. And in more terrestrial endeavors, Simon & Schuster SVP and publisher Dana Canedy (No. 50), the first Black person to head a major publishing imprint, is set to have an outsize impact on our culture.

We ended up with 13 newcomers and a ranking of women who are trying to use their power to make certain that their companies and communities emerge from this trying period better off than they were before. The result is a list that is more diverse, in every sense of the word, than we've had in the past—essentially a list that is more reflective of the moment we're living in.

HEADCOUNT BY INDUSTRY



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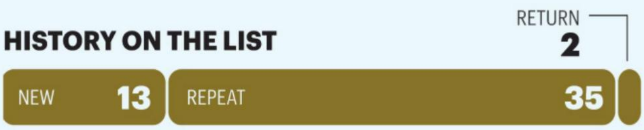


ON THE LIST AND ALSO *FORTUNE* 500 CEOs

TOTAL MARKET CAP OF PUBLIC COMPANIES LED BY MPW CEOs ($ TRILLION) **$1.02**

SOURCE: BLOOMBERG

PHOTOGRAPH BY
CHRISTIE HEMM KLOK

1

Julie Sweet

CEO,
53, **Accenture**

2019 RANK ↗ 9

2020 marked Sweet's first full year as CEO and her 10th at the professional services giant. In Accenture's fiscal 2020, she oversaw $44.3 billion in revenue, $5.1 billion in profit (up 7% from the previous year), and a market cap unsurpassed by any other company run by a CEO in our top 10. Sweet steered Accenture's more than half a million employees in 51 countries through the pandemic, a crisis that has made the firm's skills more essential than ever. Accenture has long focused on what it calls "the new": cloud, digital, and security—businesses that now account for about 70% of its revenues. As COVID-19 hit, the company tapped into that expertise to help connect the U.K.'s 1.2 million National Health Service workers remotely and to partner with Salesforce on contact tracing and vaccine management technology.

KEY — NO CHANGE ↗ MOVED UP ↘ MOVED DOWN

2


Mary Barra

Chairman and CEO,
58, **General Motors**

— 2

Ordered to make ventilators by President Trump, GM has cranked out 30,000 of them. Meanwhile, Barra is focusing on electric vehicles, adding thousands of new charging stations, and striking major partnerships, including a bold bet on Nikola, a Tesla rival. In September, GM announced a $2 billion stake in the company, but the deal's closing was delayed as Nikola faces fraud and other allegations.

3


Abigail Johnson

Chairman and CEO,
58, **Fidelity Investments**

— 3

Fidelity once again broke a string of financial records in 2019: record profit ($6.9 billion), revenues ($20.9 billion), and assets under management ($3.3 trillion). Johnson has been putting her stamp on the firm's workforce: Two-thirds of Fidelity's new hires last year were women and/or people of color, and in April, as many employers were cutting workers, Fidelity was staffing up, adding 2,000 new associates.

4


Gail Boudreaux

President and CEO,
60, **Anthem**

↘ 5

With elective procedures frozen for much of 2020, Anthem benefited from paying out fewer claims: In Q2, its profits doubled year over year to $2.3 billion. That extra cash helped as the company provided cost-sharing waivers for COVID care through 2020. Anthem also waived out-of-pocket costs for telehealth early in the year, though it's now facing backlash as it begins to reinstate some of those charges.

5


Carol Tomé

CEO,
63, **UPS**

RETURN

The longtime Home Depot executive is the first outside CEO of UPS in its 113-year history after taking over the top job in June. Tomé, who has served on the UPS board since 2003, has said her top priorities are to boost the company's returns on the investments it makes, increase efficiency, and cut costs. Investors seem to like her plan: After several years of modest performance, the stock has already doubled since June 1.

6


Jane Fraser

CEO of Global Consumer Banking;
President, 53, **Citi**

RETURN

Fraser made headlines when she was named Citi's next CEO—and the first woman to head a major U.S. bank—effective February 2021. She made her bones at Citi tackling crises, from overseeing strategy amid the 2008 recession to running Citi's domestic pandemic response. She'll need those fix-it skills: The bank just got hit with a $400 million fine for "significant deficiencies" in its risk management.

7


Ruth Porat

SVP and CFO,
62, **Google, Alphabet**

↘ 10

Porat's massive job got even bigger this year, as she led the team managing Google's response to the pandemic, sending more than 100,000 Googlers to work from home and helping provide small businesses with access to grants and loans to survive the crisis. There may be bumps ahead, though: With digital ad spending down, Alphabet's $162 billion business reported its first-ever revenue decline in Q2.

8


Sheryl Sandberg

COO, 51, **Facebook**

↘ 6

The longtime COO had a mixed year. On the one hand, Facebook delivered $70.7 billion in revenue in fiscal 2019, up 27% from 2018. On the other, the social media company is under fire for everything from data privacy issues to proliferating misinformation and conspiracy theories on the platform. Still, Sandberg continues to advocate for women and people of color in the workforce via her nonprofit, Lean In.

9


Corie Barry

CEO, 45, **Best Buy**

↘ 18

Despite Best Buy being designated an essential business, Barry decided to keep customers out of stores and pivoted to curbside pickup at every location. She initially furloughed half the company's part-time and hourly workers, but Best Buy paid them until federal stimulus took over and has since brought back 80%. Meanwhile, the retailer just posted its best-ever online sales: up 242% in the second quarter.

10

Judith McKenna

President and CEO,
Walmart International,
54, **Walmart**

↘ 15

McKenna might be based in Bentonville, Ark., but her global purview has proved crucial for the retail giant. Amid China's first wave of COVID-19, Walmart's operation there was one of the first to implement protocols like temperature checks that let it keep its China stores open with minimal disruption. McKenna and her team prepared for what was to come globally, increasing grocery pickup and delivery capacity and securing PPE for employees as well as donating some to health care workers. Despite shutdowns in India, South Africa, and parts of Central America, revenue (excluding the impact of currency rates) rose 1.6% during the most recent quarter at the $120 billion–plus business.

2: PATRICK T. FALLON—BLOOMBERG/GETTY IMAGES; 3: STUART ISETT FOR FORTUNE; 4: BRIAN SNYDER—REUTERS; 5: COURTESY OF UPS; 6: COURTESY OF CITIBANK; 7: ARND WIEGMANN—REUTERS; 8: STEFAN ROUSSEAU—PA IMAGES/GETTY IMAGES; 9: SARAH SILBIGER—BLOOMBERG/GETTY IMAGES; 10: CELESTE SLOMAN

11

Safra Catz

CEO, 58, **Oracle**

Moved down: 8

Since the death of co-CEO Mark Hurd last fall, Catz has been leading Oracle at a pivotal moment as it transitions to selling more modern cloud-computing services. Although Oracle lost the epic cloud JEDI Pentagon contract last year, Catz is overseeing a potential blockbuster deal between Oracle and social media darling TikTok. The company's stock is up 13% over the past year, and its market cap exceeds $183 billion.

12

Alicia Boler Davis

SVP of Global Customer Fulfillment, 50, **Amazon**

NEW

Last year Boler Davis joined Amazon to run its network of more than 175 warehouses in 16 countries that enable the retailer's gargantuan e-commerce business. In August, she became the first Black person to join CEO Jeff Bezos's S-team leadership group. Boler Davis joined Amazon after 25 years at General Motors, where she rose through the ranks to ultimately run its 170 factories.

PHOTOGRAPH BY **JESSE BURKE**

13

Karen Lynch

EVP of CVS Health, President of Aetna, 57, **CVS**

Moved up: 17

CVS CEO Larry Merlo has often sold the company's historic merger with health insurer Aetna as an effort to create a "front door" to community health: a corporate entity that can provide everything from on-site medical services to filling prescriptions to OTC consumer health products. Lynch is overseeing the efforts to make that vision a reality—including adjusting the company's plans to meet the needs of the pandemic. CVS's health benefits business grew 6.1% year over year to $18.5 billion in revenues in the second quarter alone. Under Lynch, the Medicare Advantage business saw a 30% increase in membership in 2019—more than triple the industry average. CVS manages the largest number of independently run COVID-19 test sites in the country; as of mid-October it will have more than 4,000 sites operating and have administered more than 5 million tests.

KEY — NO CHANGE ↗ MOVED UP ↘ MOVED DOWN

11: ERIC THAYER—BLOOMBERG VIA GETTY IMAGES; 12: CHONA KASINGER

14

Phebe Novakovic

Chairman and CEO,
62, **General Dynamics**

7

Ever-increasing military spending in Washington helped boost General Dynamics revenue by 9% to $39.4 billion in 2019. Meanwhile, GD's marine unit—which Novakovic used to run—sorted out the details of its largest-ever contract, a $22.2 billion deal with the U.S. Navy for its Block V Virginia-class submarine. Analysts are curious to see how a potential change of administration could affect the company's growth.

15

Ann-Marie Campbell

EVP of U.S. Stores and International Operations,
55, **Home Depot**

20

In October, the 35-year Home Depot vet added Canada and Mexico to her $101 billion U.S. portfolio. The promotion comes after Campbell helped lead the retailer's $1.3 billion investment in COVID-related benefits, including expanding paid time off and weekly bonuses. Despite cutting hours and limiting in-store shopping, U.S. comparable sales growth was up 25% in Q2.

16

Angela Hwang

Group President of the Pfizer Biopharmaceuticals Group, 54, **Pfizer**

NEW

Hwang isn't just the president of Pfizer's sprawling biopharmaceuticals unit—she's the leader of a business that brings in 80% of Pfizer's $52 billion in annual revenue. She oversees 26,000 employees and runs a unit that impacted the lives of 434 million people in 125 countries in 2019. She also has direct influence in planning the logistics of Pfizer's COVID vaccine efforts, such as how to best cool the treatment so it may safely be transported, should it prove effective. Education, too, is important to Hwang, who is planning a direct-to-consumer campaign to instill confidence in a COVID vaccine. And did we mention the buzz that she's in line to succeed CEO Albert Bourla?

17

Amy Hood

EVP and CFO,
48, **Microsoft**

16

The CFO is much more than a bean counter. She's helped oversee Microsoft's transformation, pushing the tech behemoth into cloud computing and toward a subscription-based business model. Hood has also been behind investments like LinkedIn and GitHub. And she is trying to make a mark on her community as well: She and her husband joined a group buying a stake in pro soccer team the Seattle Sounders.

18

Susan Wojcicki

CEO of YouTube,
52, **Google, Alphabet**

12

Wojcicki helped YouTube attract more than 2 billion monthly users, secure 20 million paid subscribers, and generate more than $15 billion in annual ad revenue, a 36% increase over 2018. But as the company grows, so do its problems. Despite removing 200,000 videos this year that violated its coronavirus-related policies, YouTube continues to struggle with misinformation, violence, and other harmful content.

19

Tricia Griffith

President and CEO,
56, **Progressive**

11

A significant decline in vehicle miles traveled because of COVID-19 restrictions has made for good business at Progressive, with far fewer accident claims to pay out. But even before the pandemic, the Cleveland-based insurer was trending upward under Griffith's leadership: Since she took over as CEO in 2016, the company's stock has nearly tripled. The former head of HR is also proud of her gender-balanced board.

20

Kathy Warden

Chairman, CEO, and President, 49, **Northrop Grumman**

13

The defense contractor won $45 billion in new business in 2019, boosting revenue 12%. Amid the pandemic, Warden deployed the company's 3D printers to make components of face shields for hospitals, assembling thousands per week. Northrop has also scored accolades for welcoming veterans and employees with disabilities to its ranks. And Warden joined the board of another *Fortune* 500 company—Merck.

21

Shari Redstone

Chairman,
66, **ViacomCBS**

14

With the death of her father, Sumner Redstone, in August, Shari is now the undisputed leader of the entertainment empire—making her the most powerful woman in media. Now the question is: What she will she do with the $27 billion behemoth? Streaming has been a bright spot for the company during the pandemic (Redstone plans to launch an expanded streaming service), though advertising revenue took a 27% hit.

22

Marianne Lake

CEO of Consumer Lending, 51,
JPMorgan Chase

21

Leading a division that accounts for a quarter of JPM's revenue—some $28 billion—Lake's businesses have been firing on all cylinders, with credit card sales up 10% and mortgage originations up more than 30%. Her unit has also provided loan forbearance or waived fees for more than 2 million customers hit financially by the pandemic. And Lake remains a favorite to replace CEO Jamie Dimon when he retires.

14: BRIAN SNYDER—REUTERS; 15: SCOTT ROKIS—COURTESY OF HOME DEPOT; 16: COURTESY OF PFIZER; 17: DAVID RYDER—BLOOMBERG/GETTY IMAGES; 18: PHILLIP FARAONE—GETTY IMAGES; 19: SPENCER HEYFRON; 20: ANDREW HARNIK—AP; 21: BRENDAN MCDERMID—REUTERS; 22: CAITLIN OCHS—REUTERS

Ones to Watch

Placing bets on which executives will land on the list in coming years? These are the names to put your money on:

Que Dallara

President and CEO, Connected Enterprise, Honeywell

Spearheading the industrial giant's migration from smokestacks to software stacks.

Halimah DeLaine Prado

General Counsel, Google

The new top lawyer takes the job at a key moment, amid antitrust claims and employee complaints.

Susan Huang

Cohead, Investment Banking, Morgan Stanley

Huang, often mentioned as a CEO contender, is one of the first women to run a Wall Street i-banking business.

Pearlena Igbokwe

Chairman, Universal Studio Group, NBCUniversal

Igbokwe was promoted last month to fill the shoes of industry player Bonnie Hammer.

Meredith Kopit Levien

CEO, *New York Times*

At 49, the youngest CEO in the Gray Lady's 169-year history is steering the paper through a critical period for media.

Linda Rendle

CEO, Clorox

The 42-year-old took the helm in September, guiding Clorox through an unprecedented surge in COVID-driven demand.

Ann Sarnoff

Chairman and CEO, Warner Bros. Entertainment, Warner Bros.

She now runs the vast majority of content at AT&T's entertainment giant.

Latriece Watkins

EVP, Consumables, Walmart U.S., Walmart

Oversees key pandemic categories like household chemicals and paper goods.

Toni Townes-Whitley

President, U.S. Regulated Industries, Microsoft

Expanding the tech company's cloud business to sectors like education and health care.

KEY — NO CHANGE ↗ MOVED UP ↘ MOVED DOWN

23

Lynn Good

Chair, CEO, and President, 61, **Duke Energy**

↘ 19

Revenue inched up 2.2% to $24.7 billion in 2019 at Duke as the energy company added 1,500 megawatts of wind and solar projects—part of Good's pledge that the company will meet a goal of net zero carbon emissions by 2050. But over the past several months, business closures owing to the pandemic have reduced demand for electricity. Duke reportedly rebuffed a recent takeover bid by NextEra Energy, but buzz about a possible deal continues. Such a merger—uniting the largest and the third-largest power utilities in the country—would encounter significant regulatory hurdles, but analysts say it's unlikely Good would be leading any combined entity.

24

Margaret Keane

CEO, 61, **Synchrony Financial**

— 24

Synchrony lost its massive partnership with Walmart in 2018, but the issuer of store credit cards has continued to ink new deals. Last year it added a co-branded credit card with Verizon and another with mobile payments app Venmo. The pandemic has revealed a new set of challenges for Keane: As consumers cut spending, Synchrony has said it will exit a number of leases and potentially reduce its workforce.

25

Leanne Caret

President and CEO of Defense, Space & Security, 54, **Boeing**

— 25

As Boeing has faced a series of damaging crises—the 737 Max debacle followed by the coronavirus pandemic, which crushed demand for passenger jets—Caret's division has been a relative linchpin for the company. While Boeing's sales cratered 24% last year and it swung to a loss, her unit's sales held roughly steady (declining just 1%), and its margins expanded, with operating earnings jumping 57%.

ONES TO WATCH: DALLARA: COURTESY OF HONEYWELL; DELAINE PRADO: COURTESY OF GOOGLE; HUANG: GONZALO MARROQUIN—PATRICK MCMULLAN/GETTY IMAGES; IGBOKWE: PHILLIP FARAONE—WIREIMAGE/GETTY IMAGES; KOPIT LEVIEN: RACHEL MURRAY—GETTY IMAGES; RENDLE: COURTESY OF THE CLOROX CO.; SARNOFF: ALBERT L. ORTEGA—GETTY IMAGES; WATKINS: COURTESY OF WALMART; TOWNES-WHITLEY: PAUL MORIGI—GETTY IMAGES

30

Thasunda Brown Duckett

CEO, Chase Consumer Banking, 47, **JPMorgan Chase**

NEW

Overseeing more than $600 billion in deposits, Duckett is also spearheading JPMorgan's branch expansion, which since its launch in 2018 has picked up steam: The bank plans to open 400 new locations, with about a third in low- and moderate-income areas. Amid the pandemic, the bank temporarily closed 20% of branches, but provided $1,000 bonuses and five extra paid days off to frontline employees who had to keep showing up. And last year, Duckett helped create, as executive sponsor, a new program within the company intended to help close the racial wealth gap. In September, the bank added her to its leadership team.

26

Jenn Piepszak

CFO, 50, **JPMorgan Chase**

— 26

Piepszak, who is increasingly seen as a potential successor to CEO Jamie Dimon, has overseen some financial ups and downs for the bank, which posted record profits last year—only to suspend share buybacks in 2020 as the U.S. slipped into recession. As head of the crisis management and business resiliency teams, Piepszak is leading plans to eventually return more than 250,000 JPM employees to offices.

27

Roz Brewer

COO, Group President, 58, **Starbucks**

↘ 28

Starbucks reported a loss for its fiscal third quarter as the coffee giant battled the fallout from the pandemic. As head of the $18.3 billion Americas business, Brewer has contended with both lower sales, as some city stores were closed, and increased costs from COVID-related employee benefits. In response, the Starbucks COO has focused on building more drive-thrus and pickup-only locations.

28

Beth Ford

President and CEO, 56, **Land O'Lakes**

↘ 31

As head of the $14 billion cooperative, Ford is sounding the alarm on the dire financial situation facing farmers. She's pushed for legislation on rural high-speed Internet access, and her efforts to bring technology to the field include a partnership with Microsoft. That's all while on track to sell nearly 300 million pounds of butter this year—a company record—as it satisfies Americans' pandemic baking projects.

29

Deirdre O'Brien

SVP of Retail and People, 54, **Apple**

↘ 32

Besides leading Apple's physical and online retail stores, O'Brien oversees more than 130,000 employees—two challenging roles that have grown even more complex as the coronavirus dramatically alters the way people shop and work. O'Brien spearheaded initiatives like temperature checks at open locations and curbside pickup. Analysts estimate that Apple's retail business brings in $74 billion each year.

23: CHARLES L HARRIS—COURTESY OF DUKE ENERGY; 24: REBECCA GREENFIELD; 25: KARIM SAHIB—AFP/GETTY IMAGES; 26: COURTESY OF JPMORGAN CHASE; 27: COURTESY OF STARBUCKS; 28: JESSICA CHOU; 29: DAVID PAUL MORRIS—BLOOMBERG/GETTY IMAGES; 30: ERIK TANNER—THE NEW YORK TIMES/REDUX

31

Kathryn McLay

President and CEO, Sam's Club, 46, **Walmart**

NEW

McLay took the top job at Sam's Club in November 2019, just in time for Black Friday. It turned out that would be the easy part. Since then, the Aussie who joined Walmart in 2015 has launched services to protect employees and shoppers: She accelerated the rollout of curbside pickup, and her team designed and deployed a concierge shopping app in only six days that let senior and immunocompromised customers make purchases without leaving their cars—more than 150,000 transactions took place on the platform. Strong results have followed at Walmart's $59 billion in sales members-only warehouse club business, with operating income up 16.6% during the pandemic.

32

Lisa Su

President and CEO, 50, **Advanced Micro Devices**

↘ 44

Su's long-term plan to help AMD better compete against Intel and Nvidia with new, high-performance processors is hitting its stride. Its Epyc and Ryzen chips are grabbing market share, and the stock price is up 88% year to date. Su is pushing the industry to increase the number of women in the field and has set up learning labs at AMD for students from underrepresented groups to pursue STEM education.

33

Penny Pennington

Managing Partner, 57, **Edward Jones**

↘ 45

Edward Jones has proved a steady grower under Pennington, with net revenue up nearly 11% since she took the helm in 2019. The brokerage, with $1.3 trillion under management, has not performed nearly as well on diversity: Only 8% of the firm's financial advisers are people of color, and 21% are women. Pennington has committed to doubling down on recruitment and advancement of diverse candidates.

34

Jennifer Taubert

EVP and Worldwide Chairman, Pharmaceuticals, 57, **Johnson & Johnson**

↘ 35

J&J is a major player in the COVID vaccine race, thanks in large part to Taubert and her $42.2 billion pharma business. She has had to grapple with logistical complexities such as recruiting a staggering 60,000-person global trial for the vaccine candidate—one that doesn't need to be ultra-cooled, a likely advantage for nations without robust health infrastructures.

35

Lisa Jackson

VP of Environment, Policy, and Social Initiatives, 58, **Apple**

NEW

Jackson is the personification of the iPhone maker's sustainability efforts—an essential task for a company that emitted 25 million metric tons of CO_2 last year. A former EPA administrator, Jackson was behind Apple's recent pledge that all of its devices will be manufactured with net zero carbon emissions by 2030. Jackson is also leading the company's $100 million racial equity and justice initiative.

36

Revathi Advaithi

CEO, 53, **Flex**

↘ 33

In her second year as CEO of the manufacturing and supply-chain company, Advaithi moved to streamline the business. But revenue took a hit when Huawei, a major customer, got caught up in the U.S.-China trade war. Even as an 8% drop in sales, to $24.2 billion, pushed the company off the Global 500, Advaithi's profile remained intact: She joined Uber's board and led Flex's manufacturing of ventilators.

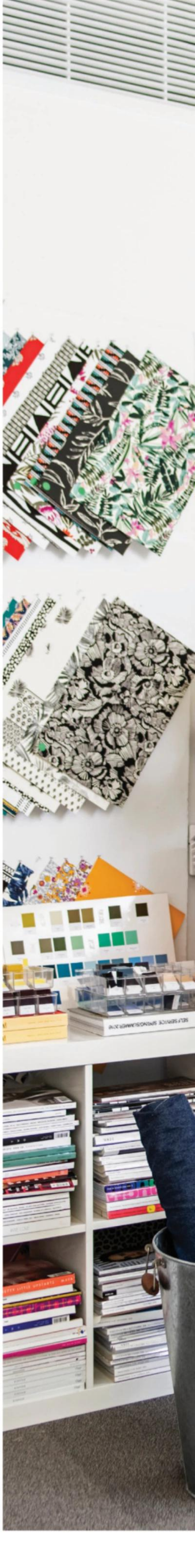
37

Mary Mack

Senior EVP, CEO of Consumer and Small-Business Banking, 58, **Wells Fargo**

↘ 36

Wells Fargo is facing another tough year, reporting a loss in the second quarter for the first time since 2008. Having taken on the role of CEO of consumer and small-business banking in February, Mack has faced her own set challenges, overseeing the bank's $10.5 billion in lending for the Paycheck Protection Program—the massive government-funded loan program created to rescue Main Street.



31: COURTESY OF WALMART; 32: MARK LENNIHA—AP; 33: COURTESY OF EDWARD JONES; 34: COURTESY OF JOHNSON & JOHNSON; 35: DAVE KOTINSKY—GETTY IMAGES; 36: JESSICA CHOU; 37: COURTESY OF WELLS FARGO

PHOTOGRAPH BY
CAYCE CLIFFORD

38

Sonia Syngal

CEO, 50,
Gap Inc.

NEW

Syngal, previously CEO of Old Navy, took the reins of the retailer's $16 billion parent company in March just as COVID-19 began to ravage clothing sales and forced the company to close its stores. But the new CEO didn't shrink from a fight with landlords over rent or hesitate to use the crisis to permanently shut weak stores in the Gap chain. She deftly protected margins by keeping inventory down and even found some ways to eke out new sales, repurposing fabric to sell $130 million worth of face masks in the spring and summer—the equivalent of 4% of Gap's $3.3 billion in second-quarter sales. All the while, Gap has maintained its trademark social activism: Old Navy, its biggest brand, will give employees a paid day off to work the election polls.

39

Kelly Grier

EY U.S. Chair and Managing Partner and Americas Managing Partner, 51, **EY**

38

Grier has become a leading voice for employee wellness. EY introduced a paid-leave program for caregivers during the pandemic and added free counseling to its 24-hour hotline. She also spoke up in support of Black Lives Matter, committing $7 million to racial justice and historically Black colleges. Her division's revenue, meanwhile, edged up 3% to $17.2 billion last year.

40

Barbara Whye

Chief Diversity and Inclusion Officer, CVP of Social Impact, 53, **Intel**

NEW

Whye has set a high bar for CDOs. Through her leadership, Intel's nearly 111,000 person workforce accurately reflects the percentage of women and minorities within the U.S. skilled labor market, a goal Whye accomplished two years ahead of schedule. She's since been promoted and is working on industrywide standards to track and accelerate inclusion efforts.

41

Michele Buck

Chairman, President, and CEO, 59 **Hershey**

40

Buck added a new product to Hershey's offerings this year: face masks. After temporarily shutting down retail outlets, Hershey redeployed store workers to start a production line that makes free masks for health care workers, Hershey employees, and local schools. Its protocols led to no COVID-related layoffs, and the company started advising others on best-in-class safety standards.

42

Kathryn Farmer

EVP, Operations, 50, **BNSF**

NEW

In January Farmer will become CEO of BNSF, making her the first woman to run a major U.S. railroad. BNSF is a $23.5 billion company within Berkshire Hathaway—making Farmer an influential voice among Warren Buffett's businesses. The 400-line railroad serves as a critical connector for the North American economy and accounts for 9% of Berkshire's total revenue and 23% of its profit.

43

Bela Bajaria

VP, Global TV, 49, **Netflix**

NEW

Bajaria was already a force. But in September she took over as head of Netflix's global shows, solidifying her role as one of the leading women in entertainment. (The streaming service has been on a tear, adding 26 million subscribers in the past two quarters alone, up from an increase of 12 million in the same period a year ago.) Bajaria joined Netflix in 2016, heading up its foreign original series and taking a country-first approach that prioritizes local content preferences. She has long supported authentic voices: At Universal Television she green-lit *The Mindy Project*, the first major show from a South Asian woman.

44

Anne Chow

CEO, AT&T Business, 54, **AT&T**

NEW

The first woman of color to garner a CEO title in AT&T history, Chow oversees 30,000 employees, serves 3 million business customers, and heads a division that brought in more than 25% of AT&T's Ebitda in the first half of 2020. She's also responsible for the AT&T communications system used by first responders. In the pandemic, her team set up 60 portable cell sites for first responders and health care providers.

PHOTOGRAPH BY JESSICA CHOU

39: COURTESY OF ERNST & YOUNG; 40: MARK KAUZLARICH—BLOOMBERG/GETTY IMAGES; 41: JEMAL COUNTESS—GETTY IMAGES; 42: COURTESY OF BNSF; 44: COURTESY OF AT&T

45

Mellody Hobson

Co-CEO and President,
51, **Ariel Investments**

↗ 48

A board member at Starbucks and JPMorgan, Hobson has spoken out about the role of financial inequality in the recent civil unrest, noting that corporations can no longer sit on the sidelines on these issues. And her influence goes beyond the corporate realm: Hobson is a likely contender for a Biden cabinet seat, and she will be the first Black woman to lend her name to a Princeton residential college.

46

Tami Erwin

EVP and Group CEO,
Verizon Business,
56, **Verizon**

NEW

Running Verizon's vast telecom services offering for businesses, Erwin oversees a $30 billion unit. In July, she set up an assistance program for women-owned small businesses hurt by the pandemic, following an initiative to connect New York City restaurants with local hospitals to deliver more than 80,000 meals to health care workers; she has since expanded the meal effort to three other cities.

47

Anne Finucane

Vice Chairman;
Chairman, Bank of
America Europe,
68, **Bank of America**

↗ 50

When COVID-19 and unrest over racial injustice hammered communities of color, BofA was quick to help—thanks in large part to Finucane. Long before the cataclysms of 2020, she had teamed up with civil rights organizations and business groups to design a program to address racial opportunity gaps. The resulting plan will steer $1 billion over four years into such necessities as job training and support for small businesses.

48

Gwynne Shotwell

President and COO,
56, **SpaceX**

NEW

While Elon Musk garners most of the headlines, Shotwell is the one running day-to-day operations at the space exploration company—now valued at $46 billion. And she's on a winning streak: securing satellite contracts from the DOD, beating SpaceX's own records for reusing its rockets, and—with the May launch of the Crew Dragon—sending astronauts into space from U.S. soil for the first time in nearly a decade.

49

Mary Dillon

CEO,
59, **Ulta Beauty**

↘ 42

The hands-on aspect of beauty shopping hamstrung Ulta at the height of the pandemic. But Dillon navigated the crisis by quickly beefing up e-commerce firepower and continuing the flow of new products, steering Ulta back to profitability in its second quarter. The company also forged ahead with its plan to push suppliers to provide more environmentally sustainable products with its own certification system.

50

Dana Canedy

SVP and Publisher,
55, **Simon & Schuster**

NEW

Book publishing isn't a huge industry, but what we read is powerful, with far-reaching impact on our culture and beliefs. And books have been on a tear, relatively speaking: The recent political upheaval in the U.S. has opened the door to more than a handful of buzzy bestsellers, all at a time when many are stuck at home, owing to the pandemic, with more hours than ever for books and TV shows. Canedy, the first Black person to head a major publishing imprint, is on a mission to make sure that the book industry also responds to the racial reckoning sweeping the world, and that the door is opened to a wider range of authors and ideas than ever before. As the newish publisher of Simon & Schuster, she now has the power to do just that.

KEY — NO CHANGE ↗ MOVED UP ↘ MOVED DOWN

45: MONICA SCHIPPER—GETTY IMAGES; 46: PATRICK T. FALLON—BLOOMBERG/GETTY IMAGES; 47: SIMON DAWSON—BLOOMBERG/GETTY IMAGES; 48: ANDREW HARRER—BLOOMBERG/GETTY IMAGES; 49: COURTESY OF ULTA BEAUTY; 50: COURTESY OF EILEEN BARROSO—COLUMBIA UNIVERSITY

MPW

MOST POWERFUL WOMEN

INTERNATIONAL 2020

EVERY YEAR FOR THIS LIST, *Fortune* scans the globe to highlight the most powerful women in business based outside the United States. And every year, happily, the task gets harder. While women remain vastly underrepresented in C-suites around the world—helming just 13 of the world's 500 largest companies—there are markedly more female executives each year taking their place at the highest ranks of corporate power.

This year's list features 17 newcomers, many of whom are leading companies in traditionally male-dominated industries like mining, steelmaking, and oil and gas. Others are the driving forces behind some of the fastest-growing, most innovative, and highly valued startups of the day.

The year 2020, of course, has surprised and tested business leaders like few others—and so this year we've looked not just at which women hold power, but also at how they've used it. That's why you'll find GlaxoSmithKline CEO Emma Walmsley, who has directed many of her drug company's resources to the fight against COVID-19 (all while keeping up her thriving pharma business), at No. 1. Ping An, the massive insurer No. 2 Jessica Tan coleads, played a pivotal role in responding to China's outbreak. Others on this list have made meaningful progress on diversity or decarbonization strategies. More women leading well is a trend we're rooting for.

WRITTEN BY

Maria Aspan, Katherine Dunn, Erika Fry, Naomi Xu Elegant, and Claire Zillman

1

10

18

1
Emma Walmsley
CEO, **GlaxoSmithKline**
U.K.

2
Jessica Tan
Co-CEO and Executive Director, **Ping An Group**
CHINA

3
Ana Botín
Executive Chairman, **Banco Santander**
SPAIN

4 NEW
Helena Helmersson
CEO, **H&M Group**
SWEDEN

5
Dong Mingzhu
Chairwoman and President, **Gree Electric Appliances**
CHINA

6 NEW
Amanda Blanc
CEO, **Aviva**
U.K.

7 NEW
Martina Merz
CEO, **Thyssenkrupp**
GERMANY

8
Alison Rose
CEO, **NatWest Group**
U.K.

9
Shemara Wikramanayake
CEO and Managing Director, **Macquarie Group**, AUSTRALIA

10 NEW
Belén Garijo
Deputy CEO, **Merck KGaA**
GERMANY

11
Maggie Wu
CFO, **Alibaba**
CHINA

12
Isabel Ge Mahe
Vice President and Managing Director, Greater China, **Apple**
CHINA

13 NEW
Catherine MacGregor
CEO Designate, **Engie**
FRANCE

14
Dominique Senequier
President and Founder, **Ardian**
FRANCE

15
Jean Liu
President, **Didi Chuxing**
CHINA

16 NEW
Nicke Widyawati
President Director and CEO, **Pertamina**
INDONESIA

17
Elizabeth Gaines
CEO, **Fortescue Metals**
AUSTRALIA

18
Joey Wat
CEO, **Yum China**
CHINA

19
Anne Rigail
CEO, Air France, **Air France-KLM**
FRANCE

20
Ho Ching
CEO and Executive Director, **Temasek**
SINGAPORE

21
Wang Fengying
Executive Vice Chairman and General Manager, **Great Wall Motor**
CHINA

FROM LEFT: MANDEL NGAN—AFP/GETTY IMAGES; COURTESY OF MERCK KGAA; ANTHONY KWAN—BLOOMBERG/GETTY IMAGES

25


30


35


43


49


22
Michelle Scrimgeour
CEO, **Legal & General Investment Management**
U.K.

23 NEW
Hanneke Faber
President, Foods and Refreshment, **Unilever**
NETHERLANDS

24
Hilde Merete Aasheim
CEO and President, **Norsk Hydro**
NORWAY

25 NEW
Sarah Davis
President, **Loblaw Companies**
CANADA

26
Ilham Kadri
CEO, **Solvay**
BELGIUM

27
Helle Østergaard Kristiansen
CEO, **Danske Commodities**
DENMARK

28 NEW
Allison Kirkby
CEO and President, **Telia** SWEDEN

29
Jessica Uhl
CFO, **Royal Dutch Shell**
NETHERLANDS

30 NEW
Sharon White
Chairman, **John Lewis Partnership**
U.K.

31
Susanne Schaffert
President, Oncology, **Novartis**
SWITZERLAND

32
Adaire Fox-Martin
Executive Board Member; Customer Success, **SAP**
GERMANY

33
Fama Francisco
CEO, Baby and Feminine Care, **Procter & Gamble**
SWITZERLAND

34
Emma FitzGerald
CEO, **Puma Energy**
SWITZERLAND

35
R. Alexandra (Alex) Keith
CEO, Beauty, **Procter & Gamble**
SWITZERLAND

36
Han Seong-Sook
CEO and President, **Naver** SOUTH KOREA

37
Maki Akaida
CEO, Uniqlo Japan; Group SVP, **Fast Retailing** JAPAN

38
Anne Richards
CEO, **Fidelity International**
U.K.

39
Belinda Wong
CEO and Chairman, Starbucks China, **Starbucks**
CHINA

40
Jane Jie Sun
CEO, **Trip.com**
CHINA

41
Paula Santilli
CEO, Latin America, **PepsiCo**
MEXICO

42 NEW
Phuthi Mahanyele-Dabengwa
CEO, South Africa, **Naspers**
SOUTH AFRICA

43 NEW
Laura Cha
Chairman, **Hong Kong Exchanges and Clearing** HONG KONG

44 NEW
Cristina Junqueira
Cofounder, **Nubank**
BRAZIL

45 NEW
Kelly Zhang
CEO, China, **ByteDance**
CHINA

46
Nancy McKinstry
Chairman and CEO, **Wolters Kluwer**
NETHERLANDS

47
Wei Sun Christianson
Co-CEO, Asia-Pacific, and CEO, China, **Morgan Stanley**
CHINA

48 NEW
Natascha Viljoen
CEO, **Anglo American Platinum**
SOUTH AFRICA

49 NEW
Sarah Al Suhaimi
Chairman, **Tadawul;** CEO, **NCB Capital**
SAUDI ARABIA

50 NEW
Mpumi Madisa
CEO, **Bidvest**
SOUTH AFRICA

The women on this year's list hail from 21 countries (and every continent but Antarctica).

FROM LEFT: CNW GROUP/LOBLAW COMPANIES LIMITED; COURTESY OF JOHN LEWIS PARTNERSHIP; COURTESY OF P&G; BILLY H.C. KWOK—BLOOMBERG/GETTY IMAGES; JASON ALDEN—BLOOMBERG/GETTY IMAGES

BUILDING BETTER LEADERS WITH PURPOSE

LEARNING
Curriculum focused on purpose-based leadership and inclusion

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EVENTS
Facilitated discussions, Fortune-moderated editorial conversations with experts and provocateurs, and group coaching sessions

COMMUNITY
Peer-to-peer networking, brainstorming, and meetups

POWER, REDEFINED
"I can be more vulnerable in certain areas," Fraser says. "I don't feel that's in any way soft or weaker; I actually think it's much more powerful."

PHOTOGRAPH BY **CELESTE SLOMAN**

THE FIRST LADY OF WALL STREET

HOW DID **JANE FRASER**, POISED TO TAKE OVER AS CEO OF CITI IN FEBRUARY, BREAK BANKING'S HIGHEST, HARDEST GLASS CEILING?

BY CLAIRE ZILLMAN

CEOS OF SEVEN of the largest U.S. banks appeared before the House Financial Services Committee in April 2019. When the panel—all men, all white—were asked under oath if their successors were likely to be female or a person of color, no one raised his hand.

Without saying a word, the CEOs had put a fine point on a hard truth: Wall Street had never had a female CEO, nor was one likely in the near future.

The message they sent was antithetical to the mood of corporate America at the time. The #MeToo movement had prompted a harsh reexamination of office workplace dynamics; institutional investors were demanding that boards of directors add more women; and companies—banks included—were preaching the merits of diversity.

The moment left such a bleak impression that *Fortune* dedicated pages of its 2019 Most Powerful Women issue to asking three pressing questions: Why had bank CEO suites remained so impenetrable to women? Who might be the first to break through? And when?

We now have a definitive answer to those last two questions: Citigroup in mid-September announced that Jane Fraser would succeed Michael Corbat as chief executive in February. Barring something unforeseeable, Wall Street banks' long-standing glass ceiling is history.

But Fraser's appointment doesn't eliminate the culture that had kept women out of the corner office for so long. In fact, it raises a new set of questions: Who is the woman who will be the first female CEO of a big Wall Street bank and how did she achieve what has, for so long, appeared unachievable?

On one hand, the most recent stage of Fraser's career follows what Jane Stevenson, head of CEO succession at executive recruiter Korn Ferry, calls "the blueprint": She worked her way through key business units at the bank and left each better than she found it. Yet at the same time, her refusal to sacrifice her personal life at the altar of her career flouts many of the old "rules" for getting to the top. That ability to find a middle way—to forge a new path through a very old maze—may indeed be an essential part of what makes her uniquely qualified for the job she'll step into next year. And so, for that matter, is her willingness to talk candidly about navigating the labyrinth.

FRASER, 53, was born in St. Andrews, Scotland. (Yes, as a matter of birth she has an affinity for golf.) She moved to Australia for high school and with aspirations to be a doctor. But she soon learned she was bad at biology but fond of math and economics, which made banking a natural career fit.

From the University of Cambridge, she landed at Goldman Sachs in London at the tender age of 20. She would lament years later that she was "the boring British girl" in the office. "Everyone else was much more exotic, from all over Europe. They were a little bit older, they spoke multiple languages, and I just thought they were so much more interesting than I was," she said in a 2016 address to the Americas Society and Council of the Americas. The feeling was motivation enough for her to leave London for Madrid, where she spent two years as an analyst at consultancy Asesores Bursátiles and worked on her Spanish—a skill that would prove especially useful years down the line.

After business school at Harvard in the early 1990s, her career diverged further from the typical banking trajectory. Rather than return to a place like Goldman, she opted to join consulting firm McKinsey for a reason she doesn't sugarcoat: The women she saw in the banking industry at that time "were rather scary," she said in the 2016 speech.

Those were the days of big shoulder pads and manly suits. The women and many of the men didn't seem "that happy," she recalled. "They were very successful. They were brilliant. But it was tough."

In short: She wanted a life.

Working at McKinsey was still demanding, but it offered the same dynamic—being a trusted adviser to

Fraser's career path is "the blueprint ... an artful

—**JANE STEVENSON,** HEAD OF CEO SUCCESSION, KORN FERRY

a client—with more predictability.

She got married two years later and got pregnant the same year she was up for partner. "I got quite a lot of advice, 'Don't get pregnant in your partnership year.' And I just thought that was nonsense," she told me at *Fortune*'s Most Powerful Women Summit in October. The firm informed her she'd made partner two weeks after she gave birth.

After that moment—having a baby, making partner—she did heed a different piece of advice: "I remember one of my mentors saying to me, 'You're going to have several careers in your life, and your careers are going to be measured in decades. So why this sense of rush and trying to have everything at the same time?'" It led her to make a decision that she says was critical: She chose to work the entirety of her five-year partnership—until she left McKinsey for Citi in 2004—part-time.

"It wasn't easy—my own ego suffered a bit on that one, because you do see people who are more junior than you who are accelerating faster in their careers," she said. "But that's what enabled me to actually feel happy and have a balance in my professional life and personal life."

That experience changed her perspective—and changed how she operated at the office.

"When I got back to working again and working full-time," Fraser said, "my clients used to tell me, 'You're a much more empathetic person; you were just this machine before.'"

IN 2004, FRASER JOINED Citi as head of client strategy in the bank's investment and corporate banking division in London. This is the moment she returned to the traditional banking playbook and began tearing through it. Over the next 16 years, she took on a series of jobs at Citi that taught her about different parts of the business, gave her experience leading units that had their own profit and loss statements or P&L, and offered her opportunities to build relationships and a standout reputation within the firm. "Look at her background," Stevenson says. Fraser's rotation in and out of jobs was "an artful process that came together over a decade," she says. "These kinds of roles lend credibility" when boards are weighing succession plans.

It helps, of course, if some of those roles require you to make tough choices or oversee troubled businesses—and if you prove you have what it takes to handle the demands.

After her run in investment and corporate banking, then-CFO Gary Crittenden offered Fraser the job of global head of strategy and M&A in September 2007 as the financial crisis was mounting. She took the job and relocated to New York to help then-CEO Vikram Pandit decide how to shrink the bank. She orchestrated the sale of Citi's Japanese securities business to Sumitomo Mitsui Financial Group in a $8 billion deal that gave the bank a vital capital boost in 2009. She also laid the groundwork for Citi's sale of its Smith Barney brokerage to Morgan Stanley. During her time in the role, she executed more than 25 deals in 18 months. The bank sold nearly a trillion dollars' worth of assets and cut 100,000 jobs in the process.

Fraser recalls that work as one of her foundational experiences as a leader. "It does make you sit there and be more definitive and less wishy-washy," she told me in October. "What does being client-driven really mean so it's not just a plaque on the wall? What are some of the strategic choices you make? Do them early and do them well and stack them up to win...Nothing like a crisis to have your steepest learning curve."

Valuable as the experience was, Fraser still wanted to run a business. Pandit gave her that chance in 2009, sending her back to London for four years to cater to Citi's wealthiest clients as head of the private bank. It was a sexy job, especially compared with what came next: serving as CEO of CitiMortgage in St. Louis. She took that job in 2013, when the mortgage business was, as she admitted in the 2016 speech, "the scourge of the earth" following the subprime crisis. She oversaw the slow and painful process of righting the ship, as Citi paid hundreds of millions of dollars to settle claims that it had sold faulty mortgages to Fannie Mae and Freddie Mac years earlier.

Then, in 2015, Fraser got yet another turnaround job, when Corbat named her CEO of Citi's Latin America business.

Latin America is the smallest of Citi's regional divisions by net revenue but has the highest rate of return, making it something of a crown jewel. Its retail arm in Mexico, then known as Banco Nacional de México or Banamex, is one of Mexico's biggest banks, and its 1,400 branches account for more than half of Citi's physical locations globally.

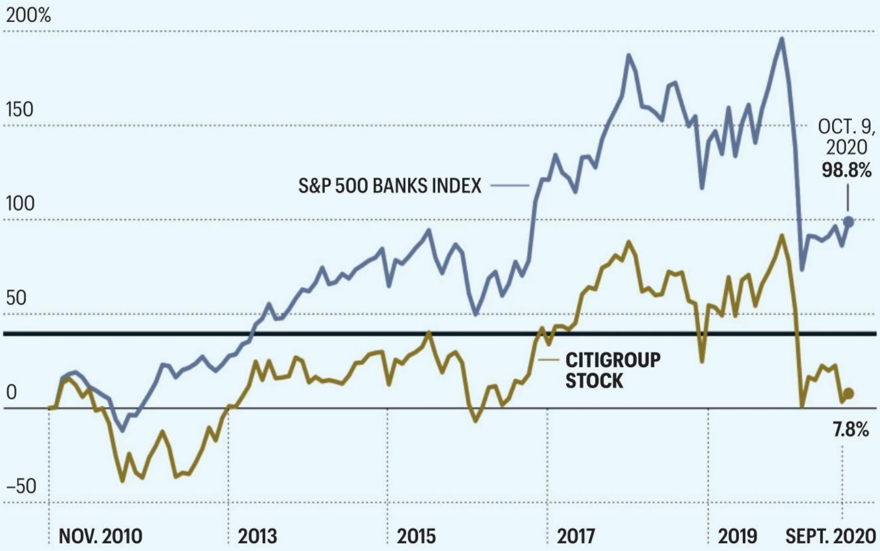
When Fraser took over, the division was tarnished. In February 2014, Citi disclosed that oil services firm Oceanografía had allegedly defrauded Banamex out of $400 million. Months later, Banamex disbanded a unit of the bank that provided security to executives after discovering that employees had engaged in illegal activity by offering unauthorized services to outside parties.

In a 2017 interview with *American*

process that came together over a decade.”

THE ULTIMATE CLEANUP JOB

FRASER MADE A NAME FOR HERSELF OVERHAULING CITIGROUP'S TROUBLE SPOTS. AS CEO, SHE'LL INHERIT A BANK THAT HAS LAGGED ITS MAJOR COMPETITORS—AND THE S&P BANKS INDEX—FOR YEARS.



SOURCE: S&P GLOBAL

Banker, Fraser talked about trying to change the bank's culture in Latin America so employees would be “more comfortable escalating issues, or saying, ‘I'm not comfortable with what my boss [has] done.’” A big part of that effort was convincing employees that the bank would act on allegations of wrongdoing. “A lot of this comes down to trust,” she said. People must believe that “if they raise an issue they're going to be okay, and you will do something about it.”

With Fraser as CEO, the Latin American division also sold off consumer banking and credit card operations in countries like Brazil, Argentina, and Colombia to more narrowly focus on its institutional business in the region.

At the same time, Citi poured $1 billion into Mexico, the only Latin American country where it still has retail operations. The four-year investment, announced in 2016, was intended to upgrade the customer experience with new ATMs, new digital tools, and branch makeovers.

During Fraser's tenure, net revenue and net profit for the Latin America division grew 8% and 38%, respectively.

Fraser's next promotion, in October 2019, to president and CEO of global consumer banking, was an indication that the work she'd done in Latin America had pushed her to the next level. It was confirmation of what colleagues say was already obvious: that Fraser was Corbat's heir apparent. “Giving her the consumer business, which is half of our revenues and a line operating business, and making her president was ... to tee her up to get ready to be CEO,” Citi chair John Dugan says.

But Citi officially launched Fraser into the top job sooner than expected. When Fraser was named president, Corbat indicated he had “years” left at Citi, but his No. 2 got the nod 11 months later.

Corbat called himself “a steadfast believer in term limits” in explaining the timing in a LinkedIn post. Dugan says Corbat had always planned to leave in 2021 but decided to depart on the early side so Fraser could “own” the bank's efforts to improve controls and risk processes.

The accelerated timeline also gave Citi an advantage that wasn't lost on the board—it got to be first to name a female CEO. “We were delighted to beat everyone to the punch. It was going to happen, and we were delighted to have a candidate who was so eminently qualified for the job,” Dugan says.

W**HILE FRASER'S** ironclad résumé looks, in many ways, like that of the big bank CEOs who've come before her, her personal approach to her work doesn't always conform to the corner office mold.

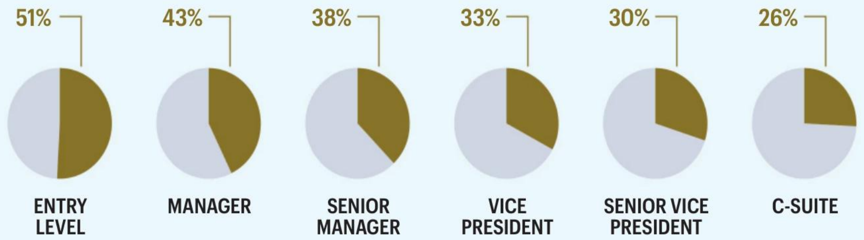
She's appeared unafraid of sharing the moments of self-doubt that so many CEOs seem to hide away in the backs of their custom closets. She says her initial response to being offered the global head of strategy and M&A was that she wasn't good enough for the role. She recalls a friend convinced her, saying, “Why are you worried about failing? Go for it. What does it matter if that's the case?”

Fraser's willingness to talk about the human side of the job—whether

A NARROWING CORPORATE LADDER

WOMEN ACTUALLY ENTER THE BANKING AND FINANCE INDUSTRY AT SLIGHTLY HIGHER RATES THAN MEN—BUT IN EVERY STEP UP THROUGH THE RANKS, THEIR NUMBERS DWINDLE.

SHARE OF WOMEN IN THE BANKING AND CONSUMER FINANCE INDUSTRY



SOURCE: MCKINSEY & COMPANY

lapses in self-assuredness, the demands of parenthood, the past failings of bank culture—sets her apart not just from her Wall Street peers, but from other women who have achieved "firsts" in their industries, some of whom fear that by being open about such things they'll be pigeonholed by the label, female CEO. Fraser sees it as an advantage: "I can be more vulnerable in certain areas; talking more about the human dimensions of this than some of my male colleagues are comfortable [with]," she told me in May. "I don't feel that's in any way soft or weaker; I actually think it's much more powerful."

Before her posting to Latin America, Fraser succeeded Cecilia Stewart, now retired, for a stint as CEO of Citi's U.S. consumer and commercial bank. As part of the leadership transition, the pair met with bankers across the country. Stewart recalls Fraser could "just naturally sit down and talk with someone and connect with them, whether it was work-related or life-related."

"For a person—male or female—to have that level of compassion in their leadership style and that openness and willingness to discuss all different types of situations is critically important," Stewart says. The approach is especially well suited for the pandemic. "2021 and 2022 for corporate America may look really different," Stewart says, "so having a leader like Jane who is flexible, who is willing and open to lead through that kind of change, whatever that turns out to be, is terrific and a positive for Citi."

BREAKING THE GLASS ceiling, of course, was just the beginning. Big banking's first female CEO is not inheriting a well-oiled machine.

Less than a month after Citi named Fraser its next CEO, Citi agreed to pay $400 million after the Federal Reserve and Office of the Comptroller of the Currency reprimanded the bank for long-standing deficiencies related to its risk controls. The action followed an embarrassing episode in August in which Citi erroneously sent $900 million to Revlon lenders, roughly 100 times as much as they were supposed to receive. The OCC order gives the regulator veto power over any major Citi acquisition and, if necessary, the right to mandate changes to the bank's senior management team or board.

It is "not typical" for the regulators to "come down so hard unless they're really not happy," says Arthur Wilmarth, a George Washington University law professor who has studied bank regulation. In a statement, Citi said it was disappointed to have fallen short of the regulators' expectations and has "significant remediation projects underway."

Investors are also eager for Fraser to address Citi's profitability, which has long trailed that of its Wall Street rivals.

Another challenge is more out of Citi's control. "We're in the middle of a pandemic and recession. Loan losses are going to go up, and interest rates are at historic lows," says Barclays analyst Jason Goldberg. Fundamentally, it's a hard time to be a banker.

The regulatory action was a sucker punch to Citi, but Wilmarth argues that, in a way, it actually bolsters Fraser's position. Under the circumstances, "I doubt that she would've gotten the job without the implicit blessing of the regulators," Wilmarth says. (Citi declined to comment.)

Goldberg says Fraser's track record means she's well suited to meet the moment. Citi "is in need of some retooling," he notes. "She has a lot of experience cleaning things up and turning things around."

Fraser echoes that point in conversation in October. In the face of any crisis, "I think it's going back and saying, 'What are some of the root causes and then how do you turn that into an opportunity to really leapfrog and take the bank to a different level?'" Fraser says. "And then how do you galvanize the organization to work toward that? I did that with the private bank, did that with mortgages, did that in Mexico. And I'm excited to do it here too."

In September, Fraser was the first woman to get a Wall Street CEO job. Come February, she'll be the first one to do the work. ■

IN THE RIGHT ROOM Boler Davis is the first Black person and only the fourth woman to join Amazon's leadership "S-team."

AMAZON'S ACE ENGINEER

AUTO-INDUSTRY VETERAN AND LOGISTICS GURU ALICIA BOLER DAVIS HELPED AMAZON MAINTAIN A RECORD PACE DURING COVID-19. SHE WON'T BE TAPPING THE BRAKES ANYTIME SOON.

BY AARON PRESSMAN

EVEN UNDER NORMAL circumstances, Amazon's global distribution network represents one of the planet's most complicated logistics systems—an intricate dance of places, people, and technology whose choreography moves millions of packages a day.

When COVID-19 hit, normal went out the window. Pandemic lockdowns forced almost everyone in the U.S. to work, learn, and above all shop from home. A sudden surge of orders, including panic-buying of staples like bulk foods and toilet paper, brought chaos to Amazon's operational web.

And since most employees in that network couldn't work from home (it's hard to deliver a package or drive a forklift from your living room) the company suddenly became responsible for the safety of hundreds of thousands of essential workers—many of them at risk of exposure to the novel coronavirus.

Both of those challenges landed squarely on the desk of an executive who had been at Amazon for less than a year. Alicia Boler Davis joined Amazon in April 2019 as vice president of global customer fulfillment. As that sweeping title suggests, Boler Davis is in charge of much of the vast infrastructure that makes Amazon shopping feel effortless to consumers. "The fulfillment operations are the heartbeat of Amazon's retail operations," says Colin Sebastian, an analyst at Baird Equity Research who tracks the company. That would make Boler Davis the pacemaker: She runs the company's hundreds of warehouses worldwide, overseeing employees, logistics, and processes, as well as technology that includes shelf-stocking robots. Customer service falls under Boler Davis's umbrella, too—and in the pandemic, Amazon's customers suddenly needed more service than ever before.

While Boler Davis was an Amazon newbie, she was anything but a rookie. She came to Seattle after 25 years as a top performer at General Motors—where she managed factories, negotiated with unions, oversaw the development of a new hit car model, and helped navigate the company through a perilous recall. "At Amazon, there's a very high bias for action," Boler Davis says. "Once you define a problem, you move very quickly to finding solutions and trying out different ideas. And then when you find something that works, you replicate that as quickly as possible." The huge and varied toolkit that Boler Davis had developed at GM prepared her to do exactly that as COVID's challenges escalated.

Among the first problems for her to solve was an overloaded supply chain. Amazon had to delay shipments for weeks on customer orders of nonessential items as it prioritized moving cleaning supplies, protective gear, and other pandemic-related needs. At the same time, the sheer volume of new demand created bottlenecks that demanded a speedy expansion of its distribution pipeline. Boler Davis took that expansion into overdrive: After increasing the square footage of its facilities worldwide by about 15% annually over the past few years, Amazon will grow it by 50% in 2020 alone. And most of the 200,000 workers Amazon has hired in the past six months—a staggering accomplishment in its own right—went straight in to staff those new facilities.

Far more daunting were the demands of keeping that staff safe. For Boler Davis, that meant adding social distancing rules in warehouses, conducting temperature checks (initially with handheld devices, later with thermal cameras), adding COVID-19 testing, and overhauling 150 different processes in all. Even Amazon's logistics algorithms, which guide staff as they fill orders, had to be rewritten to account for less dense staffing. Critical items like masks and sanitizing supplies were continually running low, forcing Amazon to find new suppliers. "It was probably one of the most challenging things I've ever done," says Boler Davis.

Amazon didn't earn a perfect grade on safety, especially early on. Some warehouse employees complained that they couldn't qualify for paid sick leave; New York City employees started a GoFundMe campaign to support fellow workers taking unpaid time off. A few warehouses had to close when workers tested positive. But when Boler Davis and other executives grasped the scope of the pandemic, Amazon started spending like mad—$4 billion in the second quarter alone—to revamp procedures and add safeguards.

Earlier this month, Amazon reported that almost 20,000 of its 1.4 million frontline employees, a figure that includes Whole Foods staff, temps, and seasonal workers, had tested positive since the beginning of March. As high as that headline number sounded, it represented an infection rate of only 1.4%—and the company says that it added up to 42% fewer positive cases than would be expected based on infection rates in the communities where it operates.

Amazon's overhaul paid off financially, as well. The company's second-quarter revenue soared 40% from a year earlier, to a record $88.9 billion—driven primarily by the tidal wave of new e-commerce, which accounts for almost 60% of the company's total sales. Its profits in that chaotic second quarter doubled to a record $5.2 billion. And Amazon's resilience reassured investors, who have pushed its stock market value to $1.6 trillion.

The success against COVID likely boosted Boler Davis's stock as well. This August she was named to Amazon's S-team (the "S" stands for "senior"), the select inner circle that advises CEO and founder Jeff Bezos. Boler Davis, now 50, is the first Black person and only the fourth woman ever named to the S-team. Some analysts think she may rise further next year, in a reshuffling after the planned retirement of Jeff Wilke, CEO of consumer at Amazon and Bezos's longtime No. 2.

It has been a fitting arc for someone who proved at GM that she could thrive as a senior leader (she served five years as a top lieutenant to CEO Mary Barra) and a nimble problem-solver. How Boler Davis helps Amazon navigate its non-pandemic problems—and there are plenty, including tumultuous labor relations and challenges from competitors—could help determine how long the company remains dominant. While Amazon declined to make current colleagues available to talk about Boler

PHOTOGRAPH BY CHONA KASINGER

320,000,000

TOTAL SQUARE FEET OF FLOOR SPACE IN AMAZON LOGISTICS FACILITIES WORLDWIDE AS OF OCT. 2020
(SOURCE: MWPVL INTERNATIONAL)

Davis, conversations with former GM colleagues offered a sense of how many strengths she brings to that role.

BOLER DAVIS grew up in Detroit. Her mother was a bookkeeper, while her father worked in a Ford plant, then went to college in his thirties and became a salesman for IBM. (After her parents divorced, Boler Davis lived with her mother, but both of them stayed involved in her life and education.) There wasn't much money to spare when she was young, and Boler Davis recalls trying to fix things around the house when she was 9 or 10 years old. Extricating a toy from the back of an old dryer wasn't too tough; splicing the melted cord of an iron was trickier. Back then, "I couldn't Google how to do those things," she recalls. "I've gotten shocked a couple of times."

A GM-sponsored summer engineering course during high school sparked bigger ambitions in a kid who liked to figure out how things worked. After graduating from Northwestern with a chemical engineering degree, Boler Davis joined GM in 1994, taking a manufacturing job at the massive Detroit-Hamtramck facility. She was spotted quickly as "someone we thought would be a senior executive someday," recalls Chris Taylor, a former GM human resources leader. "She was one of my high-potential people." By 2007 she had become GM's first African-American female factory manager, overseeing the Arlington, Texas, plant that made Cadillac Escalades.

Her next big break involved a much smaller car. In 2010, GM tapped Boler Davis to oversee a new subcompact model, the Chevrolet Sonic. She was in charge of engineering the car as well as coming up with a plan for manufacturing it. For the young manager, the assignment meant "looking at the different areas that have to work together in order to deliver a great product," she says. "That was fun." The project required working closely with GM's partners in South Korea, at the time a male-dominated culture, recalls Joel Soares dos Anjos, a former GM executive who now works for Hyundai in Brazil. "Alicia played very well between multiple cultures and countries," he recalls. In arguments, she treated men respectfully but advanced her own agenda firmly, and often won.

Introduced at the Paris Motor Show late in 2010, the Sonic, which came in bright colors and included a hatchback version, quickly shot up sales charts. It went on to win frequent awards for best quality and reliability in the subcompact category. This year, research firm J.D. Power said the Sonic had the fewest quality issues of any model in *any* category. GM will soon discontinue the Sonic, as part of a broader shift toward electric vehicles, but it was a durable hit. It also helped Boler Davis land the job of vice president for global quality and U.S. customer experience in 2012—reporting to another fast-rising GM exec, Barra, who would become CEO in 2014.

During Boler Davis's tenure as quality czar, GM substantially improved its record on that front. She says she sought to listen to employees at every level for suggestions, looking for opportunities to implement good ideas from one plant across the company's operations. "When you talk with a lot of higher-ups, you know, their eyes wander, they're moving on," recalls Jonathan Jones, a longtime shift leader at a GM factory in Fort Wayne who has had many meetings with Boler Davis. "She was different. It always seemed like she cared what you had to say."

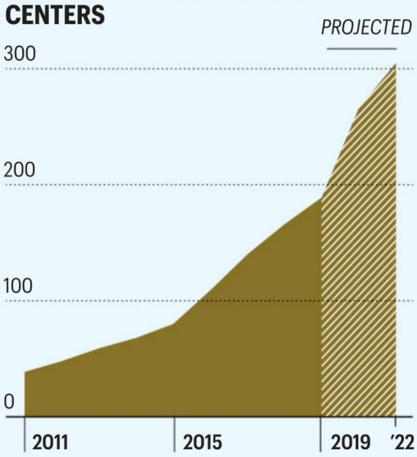
Her knack for responsiveness also helped GM stem a major customer-relations crisis. In early 2014, the company had to recall almost 2 million vehicles that had faulty ignition switches. Customer service call volume doubled, but Boler Davis created a SWAT team of 100 reps who were specifically trained to handle recall questions, and they reduced wait times to under a minute.

Barra tapped Boler Davis in 2016 as executive vice president of global manufacturing and labor relations, where she would fill the shoes of a retiring legend, 37-year veteran Jim

BUILDING BOOM

TO SUSTAIN ITS E-COMMERCE GROWTH, AMAZON HAS BUILT WAREHOUSES AND DISTRIBUTION CENTERS AT A BREAKNECK PACE, ESPECIALLY IN NORTH AMERICA.

U.S. AND CANADA FULFILLMENT CENTERS



SOURCE: MWPVL INTERNATIONAL

100,000 **NEW WORKERS** AMAZON EXPECTS TO HIRE IN THE U.S. AND CANADA IN THE LAST THREE MONTHS OF 2020

DeLuca. The role meant overseeing 171 factories in 31 countries, employing 180,000 workers. For Boler Davis, the return to manufacturing revived memories of her earliest days at GM. "I spent a lot of my career in the plant. You know, I grew up in the plant," she says. "To be able to come full circle and have responsibility for global manufacturing was pretty humbling."

The promotion also raised her public profile—and put her on the radar of one of the few companies whose logistics needs are as complicated and intricate as GM's.

JEFF WILKE, a Princeton-trained chemical engineer, has long been Jeff Bezos's right-hand man—and is one of the architects of Amazon's enormous e-commerce apparatus. A few years back, a mutual friend introduced Wilke to Boler Davis, and they met for lunch. She recalls being impressed with Wilke's depth of knowledge about his company's vast operations; he could talk about Amazon the way she could talk about GM.

Boler Davis didn't know much about Amazon at the time beyond having shopped there. But after she did some research, she was impressed by its customer-centric culture: It "resonated with my values and how I like to work," she says. Wilke was equally impressed, and the meeting led to a job offer. ("I knew the automobile industry and loved it, but why not go and try something different?" Boler Davis now says.) In an email to employees this summer, announcing Boler Davis's appointment to the S-team, Wilke wrote, "We hit it off right away. I was so impressed with her leadership experience, technical acumen, and especially her dedication to the workers on the shop floor."

All three of those strengths are now being tested. Even before COVID hit, Amazon was aiming to offer one-day delivery in more of the country for a broader array of goods—and sometimes struggled to speed up delivery while handling greater volume. Its warehouse network, analysts agree, needs to be both bigger and more efficient, with more locations closer to customers. At the end of 2019, Amazon had about 175 fulfillment facilities worldwide. But "we're adding a ton," Boler Davis tells *Fortune;* today, "I'd say we probably have 250 to close to 300 across at least 16 countries."

"I imagine [Boler Davis's] role will only become more important to Amazon as they insource more transportation and delivery," says Sebastian, the Baird analyst.

With both its retail operations and its profitable cloud services business throwing off cash, Amazon's infrastructure spree hasn't fazed investors. The stock is up more than 80% this year. As Google, Microsoft, and other competitors cut into Amazon's cloud lead, the company's cash flow could weaken in the future; antitrust threats could also, at least in theory, erode profits. But for now, Boler Davis's team is in the enviable situation of having the money to build whatever they decide customers need.

Putting people in those new warehouses could be a trickier proposition. Just ahead is the holiday shopping season, traditionally Amazon's busiest. Boler Davis announced recently that the company would need to hire another 100,000 workers by the end of this year just in the U.S. and Canada. (The humans won't be working alone: Integrating more of Amazon's new shelf-stocking robots is also a priority, as Boler Davis brings the new facilities online.)

Hiring good employees quickly is never easy, and it's made more difficult at Amazon by controversy around working conditions. In addition to complaints about sick-pay benefits, the company has faced criticism over its wages and its workflow, in which algorithms dictate movements and breaks are tightly monitored, according to some current and former employees. The Teamsters and other unions have tried to organize Amazon's workforce, though without much success so far.

Throughout her automotive career, Boler Davis had a reputation for building good relationships with the rank and file, and Amazon would certainly benefit if she could do the same there. At GM, "our hourly workforce contributed a lot to the ideas, to the improvements, to how things were done," she says. "That's something that I definitely bring with me: the expectation of engagement."

As someone who knows what it's like to be the only woman or the only Black person in a room, she also wants to bring people like her up through the company. "It can be hard being the only one. Whether you're carrying it around on your shoulders or not, it's the reality," she says. She already has some protégés and has spoken at Amazon employee affinity group meetings. "I think I'm off to a good start," she says.

As she strives to build cohesion, there's at least one enthusiastic hire Boler Davis can claim credit for. Jonathan Jones, the factory shift leader from Fort Wayne, recently decided to leave GM after 17 years—for a job as an Amazon operations manager. Watching Boler Davis's ascent gave him confidence, Jones says: "It's hard to leave, but she made me feel like this is a good call."

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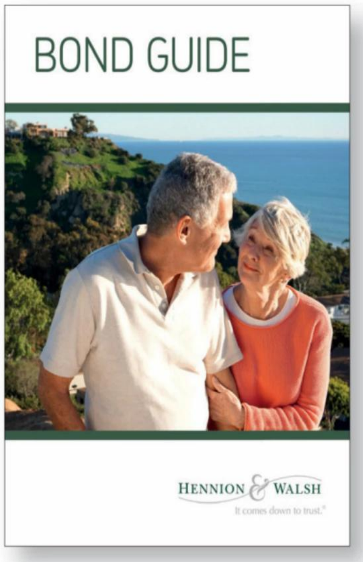

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CHAMPIONSHIP DRIVE
LeBron James soars for a bucket against the Miami Heat in Game 3 of the NBA Finals. James and the Lakers emerged from the bubble with an NBA title.

NATHANIEL S. BUTLER—NBAE/GETTY IMAGES

HOW THE NBA KEPT THE BUBBLE FROM BURSTING

TO SAVE ITS SEASON, THE LEAGUE TOOK ON GIANT COSTS AND A MASSIVE LOGISTICAL CHALLENGE. IT ALSO PARTNERED WITH ITS PLAYERS ON SOCIAL JUSTICE ADVOCACY. THE RESULT WAS A CASE STUDY IN LEADERSHIP.

BY ADAM LASHINSKY & BRIAN O'KEEFE

ADDITIONAL REPORTING BY **ANDREW NUSCA**

JOE MURPHY—NBAE/GETTY IMAGES

ON THE SECOND SUNDAY IN OCTOBER, an unprecedented 12 months after the National Basketball Association's 74th season tipped off with preseason games, the league finally crowned a champion—the Los Angeles Lakers. It was a made-for-TV moment: LeBron James captured his fourth title and, more historically, did it with his third team. By leading the Lakers to victory against the feisty Miami Heat—the team with which he won his first two rings—James completed his mission to restore the storied franchise to its past glory. He also solidified his claim as one of the game's all-time greatest players.

But the night was about so much more than the triumph by James and his teammates. It also was the capstone to a year of unprecedented tumult that included a financially painful spat with China last fall, the unexpected death of former commissioner David Stern on New Year's Day, and the tragic demise weeks later of retired Laker superstar Kobe Bryant in a helicopter crash. And that was all before the NBA suspended its season on March 11 after a Utah Jazz player tested positive for COVID-19—a watershed moment in the early days of the pandemic that reinforced the seriousness of the health crisis at hand.

That James was able to hoist the Larry O'Brien trophy at all is a testament to how the NBA rebounded in the weeks and months after the shutdown. By now the

DAVID DOW—NBAE/GETTY IMAGES

SCREEN TIME
To create practice space in the bubble, the NBA installed courts in a Disney hotel ballroom. And to bring fans into the mix virtually, the league installed giant video displays in the arenas. Among the fans "attending" Game 1 of the finals were TV anchor Robin Roberts, retired NBA star Shaquille O'Neal, and former President Barack Obama.

outline of the story is well known. Shuttered for much of the spring and early summer, the NBA crafted a plan for a Disney-hosted bubble in Orlando and worked out an arrangement with the players to restart play with 22 of the league's 30 teams. (The bubble excluded teams without a realistic shot at the playoffs to reduce headcount.) It then proceeded to stage 172 games over two-plus months without a single player, league official, or team staffer testing positive for the novel coronavirus.

The NBA's fractured season came at a tremendous cost. Bubble expenses alone totaled about $180 million, and the league undershot its preseason revenue projections by as much as $1.5 billion because of the pandemic. Yet the overall success of the NBA in the face of adversity is something many other businesses can only dream of. The bubble not only salvaged what could have been a devastating year financially, but it also put a global spotlight on the league's product. And it further boosted the reputation of NBA commissioner Adam Silver, considered by many to be the best in professional sports.

Restarting a season after stopping it cold was an operational feat of epic proportions. And pulling it off with a minimum of dissent and drama represents a textbook case of labor relations done right—a nontrivial achievement given the amount of money and the size of the egos involved. The feat is all the more remarkable given that it came about during a period of generational social justice upheaval that profoundly affected the NBA's players, from superstars to scrubs, and that at more than one point threatened to torpedo the season.

Those with the most on the line seem to appreciate the victory of a shortened but healthy season. "I think the league did a masterful job of doing the best it could to keep revenue coming in for both the teams and the players," says

Los Angeles Clippers owner Steve Ballmer, the former Microsoft CEO and a member of the NBA's board of governors, which met weekly throughout the crisis. "Juggling those interests and being willing to put in some significant costs with some significant benefit, I just think the league was phenomenal."

The NBA wasn't the only sports league to snatch victory from the jaws of a pandemic. The WNBA pulled off a similar bubble experience in Bradenton, Fla., on the state's west coast. NHL teams finished the season shuttling between two Canadian cities, Toronto and Edmonton. And even Major League Baseball, though hampered by multiple outbreaks of the virus over the course of a truncated schedule, has managed to make it deep into its playoffs with televised games in stadiums with cardboard cutouts for fans.

But by mastering the bubble the way it did, the NBA showed once again why it is viewed as one of the world's best-managed sports leagues. "I don't think there's a brand in America that is more consistent than the NBA," says David Carter, a sports business professor at USC's Marshall School of Business, strategic marketing consultant, and longtime observer of the league. "To me, a brand is a promise, and you know what you're going to get out of the NBA, just as you know what you're going to get out of Tiffany and Harley-Davidson."

Compared with other professional leagues, says Carter, the NBA "just seemed to be more uniform, more in lockstep for how they handled major issues, whether it's COVID, or social justice, or putting together a bubble that works." And understanding why reveals valuable lessons for businesses and leaders well beyond the realm of sports.

CHRIS PAUL, the star guard for the Oklahoma City Thunder and the president of the National Basketball Players Association, knows firsthand what, and who, it took to make the bubble work. In fact, when he arrived in Orlando he says he sought out Kelly Flatow, executive vice president for events for the NBA. "I just wanted to give her the biggest hug," says Paul. "Because we had been on all these Zooms together where we'd been talking about this, talking about that, talking about logistics."

BUBBLE BUDDIES
NBA commissioner Adam Silver (left, being interviewed before a finals game) was in constant communication with players' union president Chris Paul (driving to the basket for Oklahoma City in a playoff game) as the bubble plan came together.

The logistics were like nothing Flatow, a 14-year veteran of the NBA, had ever seen. Her group puts on more than 200 events a year, from the All-Star weekend to games outside the U.S. Planning for these events begins years in advance, though, and they never involve more than two teams. "This was having 22 teams and roughly 350 players, all coming together in one environment," she says. "There was no playbook or blueprint for this."

Flatow's team spent the late spring and early summer on Zoom calls and messaging each other on Slack from their respective homes near New York City. After they got to the Disney World ESPN World Wide Sports Complex, home base to the bubble, a core group of 15 met daily at 8 a.m. to discuss the tasks of the day—whether it was building seven practice facilities, including one that went up in a Disney World hotel ballroom, or erecting a broadcast center for games without fans. Every Sunday Flatow hosted an all-hands meeting for the cross-functional staff of nearly 150 that spanned communications and medical to IT and security.

By the time games were in full swing, it took an even larger number, a proverbial 6,500-person village, to service the entire community in the bubble in Orlando. "I analogize it a bit to when you go to a movie and you see the actors on the screen and then the credits start rolling at the end, and they keep rolling and they keep rolling," Adam

DOUGLAS P. DEFELICE—GETTY IMAGES

NATHANIEL S. BUTLER—NBAE/GETTY IMAGES

"I DON'T THINK THERE'S A BRAND IN AMERICA THAT IS MORE CONSISTENT THAN THE NBA."

DAVID CARTER, SPORTS BUSINESS PROFESSOR AT USC

Silver, the NBA commissioner, said at a press conference before the finals series began. (Silver gamely tried to persuade people to use the word "campus" rather than "bubble." Everyone called it a bubble.) He singled out Flatow for praise, calling her "in essence the concierge" for the assembled crew.

She did "everything from making sure the buses run on time to [assisting] those of you in this room who requested feather pillows. I know who you are. I know all the personal requests that everyone here has made."

More seriously, the NBA also had to invent health protocols from scratch. A former corporate lawyer named David Weiss, the NBA's senior vice president for player matters, quickly learned enough about infectious diseases and testing to work with a team of doctors to design the elaborate health rules that governed the bubble. Weiss also regularly briefed the owners. "It was absolutely stunning how fast some of the league staff came up to speed on the health issues," says Ballmer.

The league established a daily testing regimen for everyone who stayed on the campus at an expense of more than $100 per test. Everyone not playing, coaching, or officiating games were required to wear masks in the presence of others, particularly because support staff left the bubble after their shifts.

But while league officials were able to stay ahead of the virus, there were other challenges they didn't see coming.

$180 MILLION

TOTAL COSTS INCURRED BY THE NBA TO PUT ON THE BUBBLE

6,500

NUMBER OF WORKERS NEEDED TO MAKE THE BUBBLE POSSIBLE

O**N AUG. 26,** in the middle of the playoffs, the Milwaukee Bucks chose not to come out of their locker room for their Game 5 playoff matchup with the Orlando Magic. They made the decision not to play in order to protest the shooting of a Black man named Jacob Blake by a police officer in Kenosha, Wis. What began as a one-game walkout—some called it a boycott, while Silver let it be known he preferred "work stoppage"—quickly cascaded into a full cessation of play in the NBA as well as other sports leagues. The next day the remaining players and coaches in Orlando gathered to decide if they would return to the court. The season—and the revenue all parties would reap from completing the playoffs—hung in the balance.

Before the meeting, Paul, the players' union president, spoke with Silver. The directness of the exchange is illustrative of the trust that the two sides have in each other. "I just said, 'I'll let you know,'" says Paul. "I know it sounds simple. But that's real, you know? At the end of the day, obviously we're partners and it's all about the game. But I'm a player. I know how players feel. And this was bigger than the game."

The meeting itself was an extraordinary moment of mass catharsis for the athletes. "It was not fun, but it was really astonishing to see 150 men spend hours in this crowded banquet hall screaming, yelling, laughing, crying, but

ultimately coming together as brothers," says Michele Roberts, executive director of the National Basketball Players Association. "I've never seen anything like it. That's what democracy looks like. And it was quite stunning."

After more discussion the next day, the players agreed to go back to work, encouraged by an agreement with team owners that stadiums across the country would be used as polling stations for the upcoming election.

Businesses everywhere, especially those with unionized workforces, have had to deal with sensitive labor-relations issues during this time of pandemic-induced business shortfalls. But more than most leagues, the NBA came into its difficult year enjoying a history of mutual accommodation with its players. "Silver and Roberts have a ton of credibility," says Joshua Mendelsohn, a labor lawyer and author of *The Cap*, a new history of labor relations at the NBA centered on the introduction of a salary cap in 1983. When the season was suspended and revenue stopped flowing, the owners could have ceased paying salaries. They didn't. "The owners continued to pay the players," says Mendelsohn. "The union did a good job of negotiating, including upping the liability if someone got sick. They listened to the players. Without the players, there is no game."

That mutual understanding paid dividends before play even began in the bubble. After the killing of George Floyd by police officers in Minneapolis in late May, and the surge in social justice demonstrations that it sparked, many of the league's stars were unsure they should resume the season. They feared distracting from the national conversation about race.

But the players also recognized the platform they would have by returning. "We understood the economic ramifications and the financials of not returning," says Andre Iguodala, the Miami Heat forward and first vice president of the players' union. "But the political landscape of the country and what was happening with race relations made it bigger than money. And I think that's what made it special for a lot of us to say, 'Let's do it for a bigger reason than just us going out and getting a check.'"

So they negotiated to have certain approved messages—like "Vote" and "Say Their Names"—associated with the Black Lives Matter movement printed on the backs of their jerseys. It's the kind of compromise that Silver and Roberts are experienced at negotiating. "I have had fights with Adam. It's not hunky-dory all the time," says Roberts. "But at the end of the day, we do behave like adults."

STEADY VOICE Michele Roberts, the executive director of the National Basketball Players Association and a onetime public defender, advised the union on how to turn the bubble into a platform for social justice advocacy.

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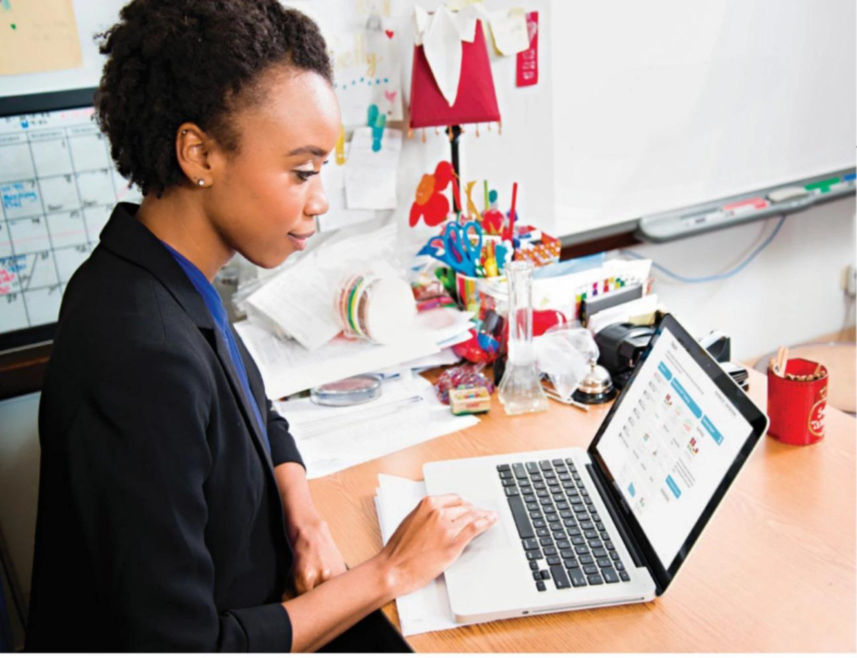
NUMBER OF GAMES PLAYED IN THE NBA'S BUBBLE AFTER THE RESTART

NO MATTER how successful the NBA was in making the best of a bad situation this year, the fact remains that the pandemic slammed the league's finances in the same manner it has hurt so many businesses around the world. The league entered last fall expecting to collect $10 billion for the season, with about 40% of that figure coming from so-called game-night revenue: tickets, concessions, merchandise, and the like. Though the league did complete about 80% of its season before it was suspended, this revenue stream went away the moment fans stopped being able to attend games.

The pandemic exacerbated what already had been a financially traumatic year. When Daryl Morey, general manager of the Houston Rockets, last October tweeted an image showing support for protesters in Hong Kong, Chinese authorities quickly canceled an exhibition game in Shanghai and pulled NBA games from state broadcaster CCTV. Silver

COURTESY OF MICHAEL PATTON/NBPA



KEEPING STUDENTS ON TRACK IN UNCHARTED TERRITORY

Istation's education technology is a lifeline for teachers and a relief for parents.

When the e-learning program Istation launched in 1998, the company's goal was to use technology to make education a more enjoyable experience for students and a more successful one for teachers. Sold at the state and district levels to be used in classrooms, Istation created gamified, interactive learning tools to engage kids and diagnostic tools to help administrators and educators track students' progress. Back then, nobody could've known that such technology would one day be the education experience.

By the time the pandemic forced schools across America to shut down, necessitating a major shift to remote learning, Istation had already spent more than 20 years at the forefront of "edtech," serving more than 4 million students in 50 states. As a result, the company was prepared and uniquely situated for this new normal.

"We've had a school-to-home connection for over a decade," says Istation COO and president Ossa Fisher, referring to the at-home portal for parents and students, a feature that was modestly used in the past but is now the star of the program. Thanks to that portal, "teachers have a way to stay completely connected to what their students are doing at home, because they can see it," she says.

And while the company facilitated a relatively smooth transition to remote learning, Istation continued to evolve its offerings to remove some of the hurdles that at-home learning can present. For example, it created a unique program for home-based instruction that offers teachers and parents a clear view of each student's progress. Knowing that parents are busy with work or other children, it launched a simpler, more dynamic interface to make the app more intuitive for kids, so they can operate the program independently.

Additionally, Istation created a variety of resources, including a website and YouTube series, not just to teach children but also to teach parents how to get the most out of using the program at home. The work the company has done in the wake of COVID-19 has earned it a 2020 EdTech Breakthrough Award for Online Learning Innovation.

"In this period of time, which is fairly stressful for most people, we aspire to make learning easy and enjoyable for everyone—starting, of course, with the students but also simplifying life for the teacher and for the parents," Fisher says. "We are honored to be hearing from our customers that we are making their lives a little easier during COVID-19, all while ensuring that robust learning continues during this unprecedented time." ■

"I HAVE HAD FIGHTS WITH ADAM. IT'S NOT HUNKY-DORY ALL THE TIME."

MICHELE ROBERTS, EXECUTIVE DIRECTOR OF THE NATIONAL BASKETBALL PLAYERS ASSOCIATION

took heat from multiple quarters. The NBA initially called Morey's tweet "regrettable." But the league quickly backtracked and said that it would not censor players or team owners. The NBA estimates the China imbroglio cost $400 million in lost revenue and jeopardized relations with its fastest-growing market.

Signs of a thaw appeared just as the season was ending: CCTV aired the last two games of the finals. "We were only given 12 hours' notice that we were returning to CCTV, without a lot of explanation," says Silver. "Ultimately there was a sense coming out of China that we were not going to change. We are who we are. We are exporting American values."

Adds Silver: "What came from the NBA with those last two finals games on CCTV were images of players wearing T-shirts that say 'vote' and 'equality' and 'liberty,' not necessarily values people have traditionally associated with China."

Television was challenged in the NBA's home market, too, for very different reasons. The first game of the best-of-seven championship series broadcast on Disney-owned ABC, garnered the smallest television audience ever recorded for a single game in the NBA Finals—a 4.1 rating with 7.41 million viewers, according to analyst Jon "Paulsen" Lewis of Sports Media Watch. Lewis estimates that viewership for this year's series was down by at least 40% from last year.

The NBA is hardly alone among professional sports leagues in seeing viewership declines. Viewership for the NHL's Stanley Cup Final was down 61%, Lewis estimates. And the reworked MLB regular season lost a quarter of its audience from the year before.

Unfortunate timing is partly to blame for the NBA's ratings slide. The finals usually conclude in June rather than October, when it is competing with football and baseball, among other sports. One extraordinary day in September featured events from 12 top sports, including Major League Soccer, the WNBA, tennis's U.S. Open, and college football. The NBA even had to contend with a crazy election season. Game 3 of the finals competed, for example, with wall-to-wall coverage of President Trump's surprise COVID-19 diagnosis.

0

NUMBER OF PLAYERS IN THE BUBBLE WHO TESTED POSITIVE FOR COVID-19

$1.5 BILLION

TOTAL HIT TO REVENUE INCURRED BY THE NBA FROM THE DISRUPTION OF THE SEASON

THE END OF THE BUBBLE means the beginning of a new, difficult chapter. There's plenty of work ahead—for the players, the owners, and league officials. Negotiations to revisit the collective bargaining agreement already are underway. The delayed NBA draft is slated for Nov. 18. And the league has floated the idea of beginning the next season in January, with the presence of fans uncertain. Indeed the biggest debate in the weeks ahead will likely be about the best and fairest way to share the financial hit the league is facing. Says Roberts: "It's no secret the conversation will entail how to spread the loss over a longer period."

The NBA's 1,500 or so league-office employees, at least, got some post-finals good news. Silver told them by email that each would receive a one-time $1,000 bonus as well as four consecutive Fridays and all of Thanksgiving week off.

As for the commissioner himself, he didn't fly north when most of the rest of the league staff fled the bubble following the last game. "Believe it or not, I'm still in Orlando," he told *Fortune* a couple of days later. "My wife and our two daughters came down, and we're going to Disney World for two days. It's like that commercial: 'What are you going to do after the championship? We're going to Disney World.'"

It's not entirely a fairy tale ending. The pandemic is still raging, after all. But it's about as close as anyone's going to get to one in a year like this. ■

FIVE STAR PROFESSIONAL

Women in WEALTH

Experienced women wealth managers are positioned to thrive

Consumers looking for someone to help them manage their retirement funds, save for their kids' college education or navigate a major life transition might just feel like they've wandered into a boys' club.

According to data from the Bureau of Labor Statistics, only 31% of U.S. financial advisers are women.

But that's not the whole story. Consumer demand for women financial advisers, according to a Pershing study titled "Americans Crave a New Kind of Leader — And Women Are Ready to Deliver," is projected to rise in the coming years. Women entering the financial services professions bring new skills and fresh outlooks to bear on industry challenges.

Analysts agree, corporate and industry initiatives to hire more women as wealth managers aren't only about equality. They're also simply a smart business practice. Successfully recruiting women into the financial services profession means that firms are tapping into a much broader and deeper pool of talent.

Furthermore, financial institutions are only helped by expanding the base of women in the profession and supporting outstanding women wealth managers. When service professions are monolithic, that can serve as a barrier against attracting new and varying kinds of customers. Here again, diversifying the wealth manager workforce isn't just the right thing to do, it also stands to bring in a more diverse set of potential clients.

RESEARCH DISCLOSURES

In order to consider a broad population of high-quality wealth managers, award candidates are identified by one of three sources: firm nomination, peer nomination or prequalification based on industry standing. Self-nominations are not accepted. Award candidates were identified using internal and external research data. Candidates do not pay a fee to be considered or placed on the final lists of Five Star Wealth Managers.

- The Five Star award is not indicative of a professional's future performance.
- Wealth managers may or may not use discretion in their practice and therefore may not manage their clients' assets.
- The inclusion of a professional on the Five Star Wealth Manager list should not be construed as an endorsement of the professional by Five Star Professional or *Fortune*.
- Working with a Five Star Wealth Manager or any professional is no guarantee as to future investment success, nor is there any guarantee that the selected professionals will be awarded this accomplishment by Five Star Professional in the future.
- Five Star Professional is not an advisory firm and the content of this article should not be considered financial advice. For more information on the Five Star Wealth Manager award program, research and selection criteria, go to fivestarprofessional.com/research.

DETERMINATION OF AWARD WINNERS

Award candidates who satisfied 10 objective eligibility and evaluation criteria were named 2020 Five Star Wealth Managers. **Eligibility Criteria – Required:** 1. Credentialed as a registered investment adviser or a registered investment adviser representative. 2. Actively employed as a credentialed professional in the financial services industry for a minimum of five years. 3. Favorable regulatory and complaint history review. 4. Fulfilled their firm review based on internal firm standards. 5. Accepting new clients. **Evaluation Criteria – Considered:** 6. One-year client retention rate. 7. Five-year client retention rate. 8. Non-institutional discretionary and/or non-discretionary client assets administered. 9. Number of client households served. 10. Education and professional designations.

Regulatory Review: As defined by Five Star Professional, the wealth manager has not: been subject to a regulatory action that resulted in a license being suspended or revoked, or payment of a fine; individually contributed to a financial settlement of a customer complaint; been convicted of a felony. Within the past 11 years the wealth manager has not: been terminated from a wealth management or financial services firm; filed for personal bankruptcy; had more than a total of three settled or pending complaints filed against them (and no more than five total pending, dismissed or denied) with any regulatory authority.

Five Star Professional conducts a regulatory review of each nominated wealth manager using the Investment Adviser Public Disclosure (IAPD) website. Five Star Professional also uses multiple supporting processes to help ensure that a favorable regulatory and complaint history exists. Data submitted through these processes was applied per the above criteria; each wealth manager who passes the Five Star Professional regulatory review must attest that they meet the definition of favorable regulatory history based upon the criteria listed above. Five Star Professional promotes via local advertising the opportunity for consumers to confidentially submit complaints regarding a wealth manager.

For more information on the Five Star award and the research/selection methodology, go to fivestarprofessional.com. 3,606 Twin Cities-area wealth managers were considered for the award; 589 (16% of candidates) were named 2020 Five Star Wealth Managers.3,899 Dallas-Fort Worth-area wealth managers were considered for the award; 393 (10% of candidates) were named 2019 Five Star Wealth Managers.

FIVE STAR PROFESSIONAL WOMEN IN WEALTH

Ethel J. Davis

CEO, Portfolio Manager

Ethel J. Davis is a seasoned financial advisor who has spent over 30 years within the investment arena. Davis named the firm after her deceased parents — Vergie and Zether Davis, aka VZD Capital Management, LLC. VZD offers fee-based, discretionary investment management services to affluent individuals, multigenerational families, underserved people and philanthropic communities. The firm values individuality, independence and the ability to make difficult decisions that benefit clients without the bureaucracy or interference that larger firms face.

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Wealth Manager Award Winner

Sheryl Conklin

CFP®

Sheri is a Certified Financial Planner™ practitioner with over 30 years of experience. Since 2008, individuals and couples have been coming to her to help them make sound financial decisions so they can do more of what they love. Her business was founded on the belief that good financial planning doesn't have to be scary, complex or confusing.

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Wealth Manager Award Winner

Elizabeth Wilder Richardson

CFP®, Senior Vice President, Lic. 5305562

Elizabeth, a 15-year veteran of the securities business, has built a reputation for providing trustworthy, well-researched, practical advice to her clients. The Wilder Group, LLC listens and demonstrates a complete understanding of its clients' specific situations and needs. With this information, they work closely with each client to establish and achieve lifelong goals. The daughter-father team has over 40 years of experience servicing clients.

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Elizabeth Wilder Richardson is an Investment Advisory Representative. Securities and advisory services offered through American Wealth Management, Inc. (AWM), member FINRA/SIPC.

Wealth Manager Award Winner

Laura K. Schilling

Esquire, CPA, CSA, CFP®, CFF®

Laura K. Schilling is the principal and the founder of Financial Innovations, LLC. Clients benefit from Laura's professional background as an attorney, a Certified Financial Planner™ professional, a Certified Financial Fiduciary®, a Certified Senior Advisor and a Certified Public Accountant. Financial Innovations, LLC is a full-service, fee-based financial planning and wealth management firm. Laura's passion is helping others to achieve their goals.

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Wealth Manager Award Winner

Christiane Tomasi

CFP®, MBT, EA

Strong client relationships have fueled the organic growth and size that CS TOMASI Wealth Management enjoys today. Christiane Tomasi takes great care to learn as much as possible about her clients so she can help channel their resources and energies constructively toward meeting their life goals. Well-trained, licensed assistants continue to work with her to provide rewarding client experiences.

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Wealth Manager Award Winner

Stacey A. Spedden-Irrgang

CRPC®, LUTCF®, Financial Planner

Stacey A. Spedden-Irrgang, a financial planner at Heritage Financial Consultants, LLC, offers comprehensive financial planning services for individuals and small business owners. She has been a financial planner since 1993. Stacey's mission is to make complex situations simple to help clients understand the process while being immersed in a warm, family environment.

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Wealth Manager Award Winner

The Five Star Wealth Manager award, administered by Crescendo Business Services, LLC (dba Five Star Professional), is based on 10 objective criteria. Eligibility criteria – required: 1. Credentialed as a registered investment adviser or a registered investment adviser representative; 2. Actively licensed as a registered investment adviser or as a principal of a registered investment adviser firm for a minimum of 5 years; 3. Favorable regulatory and complaint history review (As defined by Five Star Professional, the wealth manager has not; A. Been subject to a regulatory action that resulted in a license being suspended or revoked, or payment of a fine; B. Had more than a total of three settled or pending complaints filed against them and/or a total of five settled, pending, dismissed or denied complaints with any regulatory authority or Five Star Professional's consumer complaint process. Unfavorable feedback may have been discovered through a check of complaints registered with a regulatory authority or complaints registered through Five Star Professional's consumer complaint process; feedback may not be representative of any one client's experience; C. Individually contributed to a financial settlement of a customer complaint; D. Filed for personal bankruptcy within the past 11 years; E. Been terminated from a financial services firm within the past 11 years; F. Been convicted of a felony); 4. Fulfilled their firm review based on internal standards; 5. Accepting new clients. Evaluation criteria – considered: 6. One-year client retention rate; 7. Five-year client retention rate; 8. Non-institutional discretionary and/or non-discretionary client assets administered; 9. Number of client households served; 10. Education and professional designations. Wealth managers do not pay a fee to be considered or placed on the final list of Five Star Wealth Managers. Award does not evaluate quality of services provided to clients. Once awarded, wealth managers may purchase additional profile ad space or promotional products. The Five Star award is not indicative of the wealth manager's future performance. Wealth managers may or may not use discretion in their practice and therefore may not manage their clients' assets. The inclusion of a wealth manager on the Five Star Wealth Manager list should not be construed as an endorsement of the wealth manager by Five Star Professional or this publication. Working with a Five Star Wealth Manager or any wealth manager is no guarantee as to future investment success, nor is there any guarantee that the selected wealth managers will be awarded this accomplishment by Five Star Professional in the future. For more information on the Five Star award and the research/selection methodology, go to fivestarprofessional.com. 1,579 Kansas City-area wealth managers were considered for the award; 115 (7% of candidates) were named 2020 Five Star Wealth Managers. 1,006 Sacramento-area wealth managers were considered for the award; 99 (10% of candidates) were named 2020 Five Star Wealth Managers. 3,314 Atlanta-area wealth managers were considered for the award; 268 (8% of candidates) were named 2020 Five Star Wealth Managers. 3,527 Los Angeles-area wealth managers were considered for the award; 158 (4% of candidates) were named 2020 Five Star Wealth Managers. 1,898 Baltimore-area wealth managers were considered for the award; 234 (12% of candidates) were named 2020 Five Star Wealth Managers.

FIVE STAR PROFESSIONAL WOMEN IN WEALTH

Patricia Almony

Investment Adviser Representative

Patricia Almony is passionate and committed to following a disciplined process of identifying client needs and implementing financial strategies such as financial planning, legacy and estate strategies and risk management. She is licensed in life and health insurance in the state of Maryland.

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Wealth Manager Award Winner

Frances Rutchik Gardner

CFP®, CDFA®, CFEd®

The experienced team at Gardner Wallace Financial Solutions provides a wide array of financial solutions to their clients, working closely with them to identify needs, develop appropriate solutions and implement a plan that evolves with them through all life stages. Their motto: Plan. Retire. Enjoy.

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Wealth Manager Award Winner

Joan M. Valenti

Certified Financial Planner™

Joan Valenti, founder of Valenti Wealth Management, LLC, has been providing financial guidance for experienced investors since 1982. She leads an experienced team that specializes in helping clients pursue their retirement goals and distribute their assets in a tax-efficient manner. The team focuses on wealth accumulation and preservation from generation to generation.

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Wealth Manager Award Winner

Mary King

President, Founder

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Wealth Manager Award Winner

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Wealth Manager Award Winner

Lori A. Watt

Founder, President, Financial Advisor, CFP®

When I founded IAG Wealth Partners, I wanted to create an environment where everyone — including clients and the team serving them — would have the greatest opportunity to pursue their goals. In a world where numbers can be overwhelming, personal relationships and commitment to service are key.

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Wealth Manager Award Winner

The Five Star Wealth Manager award, administered by Crescendo Business Services, LLC (dba Five Star Professional), is based on 10 objective criteria. Eligibility criteria – required: 1. Credentialed as a registered investment adviser or a registered investment adviser representative; 2. Actively licensed as a registered investment adviser or as a principal of a registered investment adviser firm for a minimum of 5 years; 3. Favorable regulatory and complaint history review (As defined by Five Star Professional, the wealth manager has not; A. Been subject to a regulatory action that resulted in a license being suspended or revoked, or payment of a fine; B. Had more than a total of three settled or pending complaints filed against them and/or a total of five settled, pending, dismissed or denied complaints with any regulatory authority or Five Star Professional's consumer complaint process. Unfavorable feedback may have been discovered through a check of complaints registered with a regulatory authority or complaints registered through Five Star Professional's consumer complaint process; feedback may not be representative of any one client's experience; C. Individually contributed to a financial settlement of a customer complaint; D. Filed for personal bankruptcy within the past 11 years; E. Been terminated from a financial services firm within the past 11 years; F. Been convicted of a felony); 4. Fulfilled their firm review based on internal standards; 5. Accepting new clients. Evaluation criteria – considered: 6. One-year client retention rate; 7. Five-year client retention rate; 8. Non-institutional discretionary and/or non-discretionary client assets administered; 9. Number of client households served; 10. Education and professional designations. Wealth managers do not pay a fee to be considered or placed on the final list of Five Star Wealth Managers. Award does not evaluate quality of services provided to clients. Once awarded, wealth managers may purchase additional profile ad space or promotional products. The Five Star award is not indicative of the wealth manager's future performance. Wealth managers may or may not use discretion in their practice and therefore may not manage their clients' assets. The inclusion of a wealth manager on the Five Star Wealth Manager list should not be construed as an endorsement of the wealth manager by Five Star Professional or this publication. Working with a Five Star Wealth Manager or any wealth manager is no guarantee as to future investment success, nor is there any guarantee that the selected wealth managers will be awarded this accomplishment by Five Star Professional in the future. For more information on the Five Star award and the research/selection methodology, go to fivestarprofessional.com. 1,898 Baltimore-area wealth managers were considered for the award; 234 (12% of candidates) were named 2020 Five Star Wealth Managers. 4,374 Dallas-Fort Worth-area wealth managers were considered for the award; 335 (8% of candidates) were named 2020 Five Star Wealth Managers. 3,048 Connecticut wealth managers were considered for the award; 285 (9% of candidates) were named 2020 Five Star Wealth Managers. 2,018 San Diego-area wealth managers were considered for the award; 219 (11% of candidates) were named 2020 Five Star Wealth Managers. 2,535 Washington, D.C.-area wealth managers were considered for the award; 115 (5% of candidates) were named 2020 Five Star Wealth Managers. 1,092 Milwaukee-area wealth managers were considered for the award; 172 (16% of candidates) were named 2020 Five Star Wealth Managers.

FIVE STAR PROFESSIONAL WOMEN IN WEALTH

Grace S. Yung

Managing Director, Certified Financial Planner™

As a Five Star Wealth Manager for nine consecutive years, Grace strives to help her clients build and preserve financial confidence through the evolving stages of their lives. She orchestrates this by having a good understanding of their personal goals and challenges. This enables Grace and her team to help clients steadily move closer to making their aspirations a reality.

MIDTOWN FINANCIAL

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Securities and Financial Planning offered through LPL Financial, a registered investment advisor. Member FINRA/SIPC.

Wealth Manager Award Winner

Pamela J. Sams

BFA™, CRPC®

Pamela helps women secure their financial future so they can sleep well at night. As a Behavioral Financial Advisor™, Pamela teaches clients to make financial decisions using a values-based approach.

Jackson Sams Wealth Strategies

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Wealth Manager Award Winner

Noreen S. Miyake-Char

Wealth Manager

Working with high net worth clients, business owners and institutions, Noreen's mission is to understand her clients' goals and to develop and execute a customized investment strategy. Noreen believes collaborative planning solutions and a team approach benefit her clients in meeting their unique needs and objectives.

THE MONITOR GROUP, LLC

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noreen@tmg-llc.com • www.tmg-llc.net

Investment advice offered through Maryland Financial Group, Inc., a registered investment advisor. Maryland Financial Group Inc. is a wholly owned subsidiary of The Monitor Group, LLC.

Wealth Manager Award Winner

2013, 2019 Winner

Irma Hampton

CRPC®, ADPA®, Certified Financial Fiduciary®

It's my mission to empower women to gain a better understanding of the financial concepts behind insurance, investment, retirement, estate planning and wealth preservation. I use Wealthcare's goals-driven process designed to help clients gain clarity, confidence and control in their financial planning and investing. I hope you will see the value of working with an experienced financial advisor dedicated to helping women pursue their goals.

LPL Financial

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Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Wealthcare Advisory Partners LLC, a registered investment advisor. Wealthcare Advisory Partners LLC is a separate entity from LPL Financial.

Wealth Manager Award Winner

Jeri Cohen

Senior Financial Advisor, Senior Vice President – Investments

As a senior financial advisor with Wells Fargo Advisors, I deliver a full range of investment planning strategies tailored to your unique needs. I am a 2014 – 2020 Five Star Wealth Manager award winner.

WELLS FARGO ADVISORS

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Investment and Insurance Products:

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Wealth Manager Award Winner

Marah Fineberg-Kuck

CFP®, CRPC®, First Vice President – Investment Officer

As a Certified Financial Planner™ professional, I'm all about risk comfort zones and creating holistic strategies to meet my clients' needs. With specialty in retail, institutional and retirement plans for business owners, I am accepting new clients. Committed to empowerment, I founded The Women's Symposium of Southern California (WSSC) in 2016 with a mission to help women achieve financial literacy and improve their quality of life. Learn more at www.wssocal.org.

- 2013 – 2018, 2020 Five Star Wealth Manager

WELLS FARGO Advisors

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Wealth Manager Award Winner

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FIVE STAR PROFESSIONAL WOMEN IN WEALTH

2013 – 2020 Five Star Wealth Manager

Andrea C. DeVincenzi

Managing Director – Investments, CFP®, CA Insurance Lic. 0E34429

It's as true for financial and investment matters as it is for life in general: planning for the future helps you focus on your direction, goals and intentions. Investment planning too often boils down to cookie-cutter investments and generalized guesswork for your financial needs — it's better than nothing, but it's impersonal and vague. That is why I strive to help you plan your investments around benchmarks and life events that hold real meaning for you.

WELLS FARGO ADVISORS

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Wealth Manager Award Winner

Tammi L. Boyd

Senior Vice President – Investments, CA Insurance Lic. 0F02335

Oversees $100 Million in Client Assets

The mission of The Boyd Financial Group of Wells Fargo Advisors is to ensure that our clients have sufficient financial resources throughout their lifetime and the lifetimes of those they care about. We focus on the financial events that are planned for the future while staying prepared for events that are a surprise.

Tammi L. Boyd is a 2015 – 2020 Five Star Wealth Manager.

The BOYD FINANCIAL GROUP of Wells Fargo Advisors

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Wealth Manager Award Winner

Left to right: Four-year winner Neddie Bokosky; Tara Bokosky

Neddie Bokosky

Financial Advisor

Serving the Generations

Neddie and Tara have a combined 30 years of experience in the financial service industry. They help individuals, families and businesses with:

- Comprehensive financial planning
- Wealth accumulation and preservation
- Succession and estate planning
- Investment strategies

Tax & Financial Group
A Financial Services Company

4001 MacArthur Blvd., Suite 300 • Newport Beach, CA
Phone: 949-223-8402 • neddie.bokosky@tfgroup.com
www.tfgroup.com

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Wealth Manager Award Winner

Ashley Ann Parks

CFP®, Financial Advisor

Ashley Parks, CFP®, has over 20 years' experience in the financial service industry. She helps individuals, families and businesses with:

- Comprehensive financial planning
- Education strategies
- Retirement strategies
- Wealth accumulation and preservation
- Succession and estate planning

MARTIN FINANCIAL GROUP

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www.martinfinancialgroup.com

Ashley Parks is a registered representative and investment advisor representative of Securian Financial Services, Inc. Securities and Investment Advisory Services offered through Securian Financial Services, Inc. member FINRA/SIPC. Martin Financial Group is independently owned and operated. 3030 LBJ Freeway, Suite 1450, Dallas, TX 75234. 3186913 DOFU 09/2020.

Wealth Manager Award Winner

Delivering Financial Peace of Mind

Donna Rasile

Senior Vice President, Investment Advisor, Registered Life Planner®

- Passionately dedicated to delivering the best in client service
- Helping women visualize their financial future to realize their financial goals

Donna focuses on helping clients achieve their financial and life goals by employing her holistic and customized approach. She has extensive investment experience, and she uses this experience and knowledge to develop comprehensive plans tailored to fit each client's personal needs.

FINTRUST CAPITAL ADVISORS

Charlotte, NC 28226
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www.fintrustadvisors.com

Wealth Manager Award Winner

Plan for Tomorrow, Live for Today

Melissa Norwicke

Wealth Advisor

Precision Brokerage LLC pride themselves on planning with personality and purpose. Built on a 50-year legacy of her father and mentor, Melissa has expanded traditional planning services with the designation of CDFA® (Certified Divorce Financial Analyst®). Valuable insight through her nonprofit Second Saturday Divorce workshop includes pre and post planning to assist in gaining financial independence.

Precision Brokerage LLC

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Wealth Manager Award Winner

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FIVE STAR PROFESSIONAL WOMEN IN WEALTH

Susan H. Lawrence

CIMA®, President, Wealth Advisor, Portfolio Manager

Would You Like a Second Opinion?

Are you confident that your existing wealth manager is providing you with the most appropriate advice and service during the current market cycle? Would you like a second opinion? We invite you to come in and talk over your current investment plan with us. Let's review together how it is being managed and discuss what might help you work to meet your goals and objectives. Call us today and schedule an introductory meeting with us.

INVEX FINANCIAL

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Wealth Manager Award Winner

Kristen Evans Jackson

CFA, President, Chief Executive Officer

Strategies That Work. Relationships That Last.

Kristen works closely with families, small business owners, corporate executives and charitable foundations, developing custom strategies to build and preserve wealth for their unique circumstances.

Her team integrates all aspects of investment management and simplifies complexity for clients. She leads the Grant Street Investment Committee and holds the Chartered Financial Analyst® designation.

GSAM Grant Street Asset Management INVESTMENT ADVISORS

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kjackson@gsaminc.com • gsaminc.com

Wealth Manager Award Winner

Berit Suba

MBA, CFP®, CSRIC™, Senior Vice President – Investment Officer

2019 Five Star Wealth Manager

Having helped women start microbusinesses in Ghana and in the U.S., Berit is committed to helping improve education and health while reducing poverty and inequality worldwide. In addition to retirement, education and investment planning, as a Chartered SRI Counselor™, she incorporates sustainable and impact investments. Berit is a retirement planning lecturer for Columbia University's Masters of Professional Studies in Wealth Management. She holds her B.A. from Wellesley College and MBA from Columbia University.

WELLS FARGO ADVISORS

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Wealth Manager Award Winner

Maica D. Walker

CEP®, Private Wealth Manager, Financial Planner

Five-Year Five Star Wealth Manager

Maica began her career in March of 1998, and has been expanding and evolving her company's mission and value to meet the ever-changing needs of families and businesses alike. D'Aciam Private Wealth and Commercial Family Offices, LLC. was launched in 2019 with its roots in Houston, Texas. However, the company also extends to Arizona, Louisiana, California, New York and Florida. Maica and D'Aciam Private Wealth and Commercial Family Offices, LLC. are passionate about charitable giving and philantrhopy.

D'Aciam Private Wealth & Commerical Family Offices, LLC.

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www.daciampw.com

Securities and advisory services offered through Independent Financial Group, LLC (IFG), a Registered Investment Adviser. Member FINRA/SIPC. D'Aciam Private Wealth and IFG are unaffiliated entities.

Wealth Manager Award Winner

Diane Powell Zing

Vice President – Wealth Planning

Diane's financial planning practice focuses on meeting the needs of multigenerational families, individuals, entrepreneurs, trusts and nonprofits with a concentration on the financial complexities surrounding various goals her clients may have. She uses a holistic, comprehensive approach, and believes in a realistic assessment to help coach her clients to make thoughtful financial decisions.

Trilogy Financial

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Diane Zing is a registered representative for LPL Financial (LPL) and an Investment Advisor Representative (IAR) for Trilogy Capital (TC). Securities offered through LPL, Member FINRA/SIPC. Investment advisory services offered through TC, a Registered Investment Advisor. TC markets advisory services under the name of Trilogy Financial (TF), an affiliated but separate legal entity. TC and TF are separate entities from LPL.

Wealth Manager Award Winner

Elizabeth K. Miller

CFP®, CFA, President

Liz Miller, CFP®, CFA, launched Summit Place Financial after 20 years on Wall Street. Designed specifically to provide a high level of attention and customization, the firm offers unbiased and personalized solutions to those who have outgrown mass market approaches. Liz currently serves on the board of directors of CFP Board. She grew up in Chagrin Falls, Ohio and raised her family in Summit, New Jersey.

SUMMIT PLACE FINANCIAL ADVISORS, LLC

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Wealth Manager Award Winner

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FIVE STAR PROFESSIONAL WOMEN IN WEALTH

Rhonda Maxwell

Partner, Wealth Advisor

2020 Five Star Wealth Mangaer Award Winner

For over two decades Rhonda has helped clients address their financial concerns and develop strategies by focusing on each individual's specific needs. With extensive experience throughout major shifts in the markets, Rhonda has dedicated her career to delivering the personalized investment planning services her clients deserve.

Stratos Wealth Partners

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www.stratoswealthpartners.com

Rhonda Maxwell is a Registered Representative with, and securities are offered through, LPL Financial. Member FINRA/SIPC.

Wealth Manager Award Winner

Naomi Bourque

Financial Advisor, AAMS®, Senior Vice President

- Bachelor of Science degree from Sacred Heart University

Naomi has over 21 years of experience in the financial industry and is a FINRA-registered securities broker, investment advisor and principal. She also holds life and health insurance licenses. Naomi is an Accredited Asset Management Specialist℠.

People's United Advisors

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www.peoples.com

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• Not a Deposit of or Guaranteed by a Bank or any Bank Affiliate • May Lose Value.

Wealth Manager Award Winner

Lynda Blessing

ChFC®, CRPC®, CLU®, CASL®, CDFA®, Financial Advisor, Owner

- Better Business Bureau approved

With 22 years of experience and a seven-year Five Star Wealth Manager, I built Blessing Financial Inc. to bring independent, knowledgeable advice to clients in the context of a very personal, relational experience. I specialize in professionals with busy lives, juggling stock options and investments along with kids' activities and wealth transfer concerns.

Blessing Financial Inc.

225 S Church Street, Suite 304 • West Chester, PA 19382
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Wealth Manager Award Winner

Catherine Stahl Scheuber

LPL Financial Advisor, Chartered Retirement Planning Counselor℠

Helping Serious Investors Through Life and Legacy

With more than 37 years of experience, it is an honor to help women and families navigate market cycles and life events. Weathering ups and downs together while maintaining reasonable expectations has made us successful. Trust, confidentiality and quality service is our promise. You are the greatest asset in our business — the focus is on *you*.

Scheuber Wealth Management

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www.catherinescheuber.com

Securities offered through LPL Financial, Member FINRA/SIPC.

Wealth Manager Award Winner

Carolyn Hemann

CFP®, Private Wealth Advisor

Carolyn, a 2013 – 2019 Five Star Wealth Manager award winner, has been guiding clients toward financial independence for more than 30 years. She is passionate about providing timely, quality financial advice and financial planning that can lead to peace of mind for her clients.

Ameriprise Financial

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Wealth Manager Award Winner

Dawn Hausch-Cooper

CRPC®, Financial Advisor

I am passionate about working with my clients and helping them experience financial confidence now and in retirement. I focus on building new relationships and designing plans that suit my clients' unique needs. I am committed to listening to my clients and I strive to be someone they feel comfortable talking to.

Ameriprise Financial

8455 S Saginaw Street, Suite 101 • Grand Blanc, MI 48439
Phone: 810-579-2838 • dawn.l.hausch-cooper@ampf.com
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2013 – 2020 Five Star Wealth Manager. Investors should conduct their own evaluation of a financial professional as working with a financial advisor is not a guarantee of future financial success. Investment advisory products and services are made available through Ameriprise Financial Services, LLC, a registered investment adviser. Ameriprise Financial Services, LLC Member FINRA and SIPC.

Wealth Manager Award Winner

The Five Star Wealth Manager award, administered by Crescendo Business Services, LLC (dba Five Star Professional), is based on 10 objective criteria. Eligibility criteria – required: 1. Credentialed as a registered investment adviser or a registered investment adviser representative; 2. Actively licensed as a registered investment adviser or as a principal of a registered investment adviser firm for a minimum of 5 years; 3. Favorable regulatory and complaint history review (As defined by Five Star Professional, the wealth manager has not; A. Been subject to a regulatory action that resulted in a license being suspended or revoked, or payment of a fine; B. Had more than a total of three settled or pending complaints filed against them and/or a total of five settled, pending, dismissed or denied complaints with any regulatory authority or Five Star Professional's consumer complaint process. Unfavorable feedback may have been discovered through a check of complaints registered with a regulatory authority or complaints registered through Five Star Professional's consumer complaint process; feedback may not be representative of any one client's experience; C. Individually contributed to a financial settlement of a customer complaint; D. Filed for personal bankruptcy within the past 11 years; E. Been terminated from a financial services firm within the past 11 years; F. Been convicted of a felony); 4. Fulfilled their firm review based on internal standards; 5. Accepting new clients. Evaluation criteria – considered: 6. One-year client retention rate; 7. Five-year client retention rate; 8. Non-institutional discretionary and/or non-discretionary client assets administered; 9. Number of client households served; 10. Education and professional designations. Wealth managers do not pay a fee to be considered or placed on the final list of Five Star Wealth Managers. Award does not evaluate quality of services provided to clients. Once awarded, wealth managers may purchase additional profile ad space or promotional products. The Five Star award is not indicative of the wealth manager's future performance. Wealth managers may or may not use discretion in their practice and therefore may not manage their clients' assets. The inclusion of a wealth manager on the Five Star Wealth Manager list should not be construed as an endorsement of the wealth manager by Five Star Professional or this publication. Working with a Five Star Wealth Manager or any wealth manager is no guarantee as to future investment success, nor is there any guarantee that the selected wealth managers will be awarded this accomplishment by Five Star Professional in the future. For more information on the Five Star award and the research/selection methodology, go to fivestarprofessional.com. 173 Palm Springs wealth managers were considered for the award; 19 (11% of candidates) were named 2020 Five Star Wealth Managers. 3,048 Connecticut-area wealth managers were considered for the award; 285 (9% of candidates) were named 2020 Five Star Wealth Managers. 4,148 Philadelphia-area wealth managers were considered for the award; 366 (9% of candidates) were named 2020 Five Star Wealth Managers. 2,172 Denver-area wealth managers were considered for the award; 213 (10% of candidates) were named 2020 Five Star Wealth Managers. 3,527 Los Angeles-area wealth managers were considered for the award; 158 (4% of candidates) were named 2020 Five Star Wealth Managers. 3,105 Detroit-area wealth managers were considered for the award; 284 (10% of candidates) were named 2020 Five Star Wealth Managers.

FIVE STAR PROFESSIONAL WOMEN IN WEALTH

To see the full list of winners, visit www.fivestarprofessional.com.

Atlanta

3,314 Atlanta-area wealth managers were considered for the award; 268 (8% of candidates) were named 2020 Five Star Wealth Managers.

Julianne F. Andrews · Atlanta Financial Associates · 770-261-5385

Junko Horvath · Fujiyama Wealth Management · 678-736-5194

Catherine C. Miller · Atlanta Financial Associates · 770-261-5382

Laura K. Schilling · Financial Innovations · 404-458-0065 *Page 2*

Elizabeth Wilder Richardson · American Wealth Management · 770-392-8753 *Page 2*

Austin, San Antonio and Central Texas

1,204 Austin, San Antonio and Central Texas-area wealth managers were considered for the award; 178 (15% of candidates) were named 2019 Five Star Wealth Managers.

Irma Hampton · Wealthcare Advisory Partners · 512-413-1272 *Page 4*

Baltimore

1,898 Baltimore-area wealth managers were considered for the award; 234 (12% of candidates) were named 2020 Five Star Wealth Managers.

Patricia Almony · Worthington Financial Partners · 410-527-1292 *Page 3*

Elaine M. Shanley · FinanceForward, LLC · 410-494-7766

Stacey A. Spedden-Irrgang · Heritage Financial Advisors · 410-771-5430 *Page 2*

Boston

3,580 Boston-area wealth managers were considered for the award; 463 (13% of candidates) were named 2020 Five Star Wealth Managers.

Kelli A. Adams · GW & Wade, LLC · 781-239-1188

Ellen Duffy · Parkway Wealth Management · 617-620-5172

Jen LaFrance · Commonwealth Financial Network · 781-343-8010

Margaret Gaisford Welborn · GW & Wade, LLC · 781-239-1188

Charlotte

1,346 Charlotte-area wealth managers were considered for the award; 129 (10% of candidates) were named 2019 Five Star Wealth Managers.

Donna Rasile · FinTrust Capital Advisors · 864-626-5784 *Page 5*

1,488 Charlotte-area wealth managers were considered for the award; 134 (9% of candidates) were named 2020 Five Star Wealth Managers.

Ann Reilley Gugle · Alpha Financial Advisors · 704-823-6093

Chicago

5,430 Chicago-area wealth managers were considered for the award; 429 (8% of candidates) were named 2019 Five Star Wealth Managers.

Vicky L. DeShazier · Westpoint · Financial Group · 630-441-1274

4,636 Chicago-area wealth managers were considered for the award; 356 (8% of candidates) were named 2020 Five Star Wealth Managers.

Claudia Theresa Marban · Ameriprise Financial Services, LLC · 815-469-7181

Judith A. McNiff · Wells Fargo Advisors · 847-405-7317

Shari Greco Reiches · Rappaport Reiches Capital Management · 847-832-9075

Cleveland

1,548 Cleveland wealth managers were considered for the award; 62 (4% of candidates) were named 2020 Five Star Wealth Managers.

Mildred Babb Perkins · Wells Fargo Advisors · 440-247-4196

Connecticut

3,048 Connecticut-area wealth managers were considered for the award; 285 (9% of candidates) were named 2020 Five Star Wealth Managers.

Naomi Bourque · Peoples Securities · 203-861-4042 *Page 7*

Marianne E. Noyes-Ryder · Noyes-Ryder Wealth Management LLC · 203-270-0462

Joan M. Valenti · Valenti Wealth Management · 860-677-7790 *Page 3*

Dallas/Fort Worth

3,899 Dallas/Fort Worth-area wealth managers were considered for the award; 393 (10% of candidates) were named 2019 Five Star Wealth Managers.

Tish Gray · Sagemark Consulting · 972-764-5290 *Page 1*

4,374 Dallas/Fort Worth-area wealth managers were considered for the award; 335 (8% of candidates) were named 2020 Five Star Wealth Managers.

Frances Rutchik Gardner · Gardner Wallace Financial Solutions · 972-833-2565 *Page 3*

Tabitha Garreffa · Fluent Financial · 972-852-4800

Jennifer Wells Ibarguen · Ameriprise Financial Services, LLC · 972-244-5717

Ashley Ann Parks · Securian Financial Services · 214-522-4245 *Page 5*

Denver

2,172 Denver-area wealth managers were considered for the award; 213 (10% of candidates) were named 2020 Five Star Wealth Managers.

Sally Brandt Lieb · Lifestyle-Curated Wealth Solutions · 720-460-1883

Patricia B. Kummer · Mariner Wealth Advisors · 303-470-1209

Catherine Stahl Scheuber · Scheuber Wealth Managment · 303-963-5705 *Page 7*

Diane Powell Zing · Trilogy Financial · 303-749-6115 *Page 6*

Detroit

3,105 Detroit-area wealth managers were considered for the award; 284 (10% of candidates) were named 2020 Five Star Wealth Managers.

Rhonda Byer · PFS Investments · 248-496-8822

Andrea B. Darden · Darden Wealth Group · 734-294-0100

Dawn Hausch-Cooper · Ameriprise Financial Services, LLC · 810-579-2838 *Page 7*

Houston

3,219 Houston-area wealth managers were considered for the award; 174 (5% of candidates) were named 2020 Five Star Wealth Managers.

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The Five Star Wealth Manager award, administered by Crescendo Business Services, LLC (dba Five Star Professional), is based on 10 objective criteria. Eligibility criteria – required: 1. Credentialed as a registered investment adviser or a registered investment adviser representative; 2. Actively licensed as a registered investment adviser or as a principal of a registered investment adviser firm for a minimum of 5 years; 3. Favorable regulatory and complaint history review (As defined by Five Star Professional, the wealth manager has not; A. Been subject to a regulatory action that resulted in a license being suspended or revoked, or payment of a fine; B. Had more than a total of three settled or pending complaints filed against them and/or a total of five settled, pending, dismissed or denied complaints with any regulatory authority or Five Star Professional's consumer complaint process. Unfavorable feedback may have been discovered through a check of complaints registered with a regulatory authority or complaints registered through Five Star Professional's consumer complaint process; feedback may not be representative of any one client's experience; C. Individually contributed to a financial settlement of a customer complaint; D. Filed for personal bankruptcy within the past 11 years; E. Been terminated from a financial services firm within the past 11 years; F. Been convicted of a felony); 4. Fulfilled their firm review based on internal standards; 5. Accepting new clients. Evaluation criteria – considered: 6. One-year client retention rate; 7. Five-year client retention rate; 8. Non-institutional discretionary and/or non-discretionary client assets administered; 9. Number of client households served; 10. Education and professional designations. Wealth managers do not pay a fee to be considered or placed on the final list of Five Star Wealth Managers. Award does not evaluate quality of services provided to clients. Once awarded, wealth managers may purchase additional profile ad space or promotional products. The Five Star award is not indicative of the wealth manager's future performance. Wealth managers may or may not use discretion in their practice and therefore may not manage their clients' assets. The inclusion of a wealth manager on the Five Star Wealth Manager list should not be construed as an endorsement of the wealth manager by Five Star Professional or this publication. Working with a Five Star Wealth Manager or any wealth manager is no guarantee as to future investment success, nor is there any guarantee that the selected wealth managers will be awarded this accomplishment by Five Star Professional in the future. For more information on the Five Star award and the research/selection methodology, go to fivestarprofessional.com. 1,006 Sacramento-area wealth managers were considered for the award; 99 (10% of candidates) were named 2020 Five Star Wealth Managers.

FIVE STAR PROFESSIONAL WOMEN IN WEALTH

To see the full list of winners, visit www.fivestarprofessional.com.

Abigail C. Gunderson · Tanglewood Total Wealth Management · 713-840-8880

Maica D. Walker · D'Aciam Private Wealth & Commercial Family Offices, LLC · 713-297-8832 *Page 6*

Grace S. Yung · Midtown Financial Group, LLC · 713-355-9833 *Page 4*

Indianapolis

4,016 Indianapolis-area wealth managers were considered for the award; 143 (8% of candidates) were named 2020 Five Star Wealth Managers.

Lisa Lynn Brown · Ameriprise Financial Services, LLC · 317-251-8910

Kristen F. Highfield · Ameriprise Financial Services, LLC · 317-251-8910

Kansas City

1,579 Kansas City wealth managers were considered for the award; 115 (7% of candidates) were named 2020 Five Star Wealth Managers.

Ethel J. Davis · VZD Capital Management, LLC · 816-726-7066 *Page 2*

Los Angeles

3,527 Los Angeles-area wealth managers were considered for the award; 158 (4% of candidates) were named 2020 Five Star Wealth Managers.

Carolyn Hemann · Ameriprise Financial Services, LLC · 310-477-2500 *Page 7*

Susan Baringer Inwood · Wells Fargo Advisors · 310-843-3408

Marlynn Ma · Merrill Lynch 626-396-2868

Nicole T. Ryan · Cetera Advisor Networks · 310-294-0070

Christiane Tomasi · CS Tomasi Wealth Management · 562-494-4668 *Page 2*

Milwaukee

1,092 Milwaukee-area wealth managers were considered for the award; 172 (16% of candidates) were named 2020 Five Star Wealth Managers.

Lori A. Watt · IAG Wealth Partners · 262-446-8150 *Page 3*

New Hampshire

928 New Hampshire wealth managers were considered for the award; 91 (10% of candidates) were named 2020 Five Star Wealth Managers.

Cynthia L. Kordys · Centaurus Financial · 603-287-8241

Nichole D. Raftopoulos · Nvest Financial Group, LLC · 207-985-8585

New Jersey

6,210 New Jersey wealth managers were considered for the award; 480 (8% of candidates) were named 2020 Five Star Wealth Managers.

Jeri Cohen · Wells Fargo Advisors · 973-261-6417 *Page 4*

Elizabeth K. Miller · Summit Place Financial Advisors · 908-517-5880 *Page 6*

Melissa Norwicke · Precision Brokerage · 862-251-7134 *Page 5*

Orange County

2,320 Orange County-area wealth managers were considered for the award; 152 (7% of candidates) were named 2020 Five Star Wealth Managers.

Veronica Marie Aaron · Householder Group · 714-529-2300

Neddie Bokosky · Tax & Financial Group · 949-223-8509 *Page 5*

Tammi L. Boyd · Wells Fargo Advisors · 949-282-2652 *Page 5*

Annette Di Bello · Di Bello Financial 949-716-7050

Marah B. Fineberg-Kuck · Wells Fargo Advisors · 562-493-7604 *Page 4*

Krista F. Murray · California Wealth Transitions · 714-975-9381

Philadelphia

4,148 Philadelphia-area wealth managers were considered for the award; 366 (9% of candidates) were named 2020 Five Star Wealth Managers.

Lynda Blessing · Blessing Financial · 610-436-5257 *Page 7*

Robyn E. Jameson · Trinity Financial Partners · 610-687-8040

Deborah Klatz Rounick · Ameriprise Financial Services, LLC · 610-897-2816

Geraldine Wardle · Primerica/PFS Investments · 610-326-4494

Phoenix

2,163 Phoenix-area wealth managers were considered for the award; 94 (4% of candidates) were named 2020 Five Star Wealth Managers.

Jenna Biancavilla · Pearl Capital Management · 602-446-6394

Lisa Ladds Doche · Wells Fargo Advisors · 480-419-2042

Christie Eileen Jones-Popour · Wells Fargo Advisors · 480-538-5013

Pittsburgh

1,667 Pittsburgh-area wealth managers were considered for the award; 251 (15% of candidates) were named 2019 Five Star Wealth Managers.

Jodee Lynn Harris · Infinex Investments · 724-832-6181

1,886 Pittsburgh-area wealth managers were considered for the award; 224 (8% of candidates) were named 2020 Five Star Wealth Managers.

Lisa A. Brooks · Ameriprise Financial Services, LLC · 412-922-7700

Kristen Evans Jackson · Grant Street Asset Management · 412-257-8060 *Page 6*

Portland

824 Portland-area wealth managers were considered for the award; 85 (10% of candidates) were named 2020 Five Star Wealth Managers.

Christina Aleckson · Single Point Financial Advisors, Inc. · 503-350-2321

Palm Springs

173 Palm Springs-area wealth managers were considered for the award; 19 (11% of candidates) were named 2020 Five Star Wealth Managers.

Rhonda Maxwell · Stratos Wealth Partners · 888-448-5708 *Page 7*

Sacramento

1,006 Sacramento wealth managers were considered for the award; 99 (10% of candidates) were named 2020 Five Star Wealth Managers.

Sheryl Conklin · Conklin Financial Planning · 845-545-1002 *Page 2*

Courtney McHarg · McHarg & Associates Wealth Planning · 916-922-5812

Christeen Reeg · Pacific Investment Consultants · 916-932-0151 *Page 8*

Violetta Sit Terpeluk · Ameriprise Financial Services, LLC · 916-787-9988

San Diego

2,018 San Diego-area wealth managers were considered for the award; 219 (11% of candidates) were named 2020 Five Star Wealth Managers.

Mary King · Sage Stone Wealth Management · 858-412-6404 *Page 3*

Pamela Potter Matthews · Ameriprise Financial Services, LLC · 858-795-2317

Sheryl L. Rowling · Rowling & Associates · 619-295-0200

Amber Michelle Smith · Wells Fargo Advisors · 858-248-8836

Seattle

2,735 Seattle-area wealth managers were considered for the award; 273 (10% of candidates) were named 2020 Five Star Wealth Managers.

Cynthia Briggs · Wells Fargo Advisors · 253-798-5829

Susan H. Lawrence · INVEX Financial · 425-369-1423 *Page 6*

Margaret Helene Youch · Ameriprise Financial Services, LLC · 425-372-4729

San Francisco

2,012 San Francisco-area wealth managers were considered for the award; 47 (2% of candidates) were named 2019 Five Star Wealth Managers.

Berit Suba · Wells Fargo Advisors · 415-395-2432 *Page 6*

San Francisco East Bay

1,260 San Francisco East Bay-area wealth managers were considered for the award; 88 (7% of candidates) were named 2020 Five Star Wealth Managers.

Andrea C. DeVincenzi · Wells Fargo Advisors · 925-746-7290 *Page 5*

Nancy Knight · LPL Financial · 510-552-7604

Lan J. Shaw · Vision Financial Planning Inc. · 510-358-8668

St. Louis

2,431 St. Louis-area wealth managers were considered for the award; 170 (7% of candidates) were named 2020 Five Star Wealth Managers.

Christine Cipolla · RFG Advisory · 314-699-9244

Patricia Maureen Conway · Conway Financial Group, LLC · 314-579-9157

Twin Cities

3,606 Twin Cities-area wealth managers were considered for the award; 589 (16% of candidates) were named 2020 Five Star Wealth Managers.

Denise Alemayehu · DA Financial Advisors, Inc./Cambridge Investment Research · 952-224-9992

Wendy Lee Gillespie · Ameriprise Financial Services, LLC · 763-543-5183

LeAnn Lenander · Lenander Financial Advisory · 651-365-5000 *Page 1*

Washington, D.C.

1,956 Washington, D.C.-area wealth managers were considered for the award; 122 (6% of candidates) were named 2019 Five Star Wealth Managers.

Pamela J. Sams · Securities America · 703-547-8682 *Page 4*

2,535 Washington, D.C.-area wealth managers were considered for the award; 110 (4% of candidates) were named 2020 Five Star Wealth Managers.

Kimberly A. Cox · West Financial Services, Inc. · 703-847-2500

Alexandra Mariola McComb · Farr Miller & Washington · 202-530-0827

Noreen S. Miyake-Char · American Asset Management Group, Inc. · 301-251-1002 *Page 4*

April Turch · Wolf Group Capital Advisors · 703-502-9500 *Page 3*


MAKE THE MOST
OF EVERY MINUTE
There's been a shift. It's no longer about where we've been, but where we're going. It's not about the obstacles we face, but what we're able to achieve—together. The CESSNA CITATION LONGITUDE aircraft is designed and engineered to help you rise to every opportunity.
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Matt Hranek relaxing at his home in the Médoc region of France with his beloved Fiat Panda.

COURTESY OF MATT HRANEK

AUTOS

A Man & Their Cars

Matt Hranek has traveled the world to uncover car owners' tales of automotive joy. **BY DANIEL BENTLEY**

1

WATCHES AND CARS share a common thread. In many ways these trappings of men with disposable income have become cliché. A Rolex or a vintage Porsche can be the shortcut to cool for well-heeled men of a certain bent. But beneath that veneer of showboating are often deeply personal tales. Those are the stories that photographer, magazine writer, and all-round bon vivant Matt Hranek teased out in his first book, *A Man & His Watch* (Artisan, 2017), and now with its sequel, *A Man & His Car* (Artisan, released Oct. 13).

In the new book, Hranek uses his 25 years of experience as a commercial and editorial photographer to capture the cars—warts and all—and his flair for conversation to tease out stories that will resonate with any car lover.

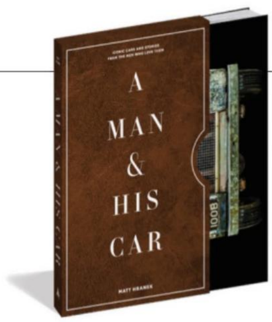
Fortune spoke with Hranek about the book and why men fall in love with their vehicles. *This interview has been edited for length and clarity.*

“So it was me, the taxi driver, and a man with a broken arm moving all these priceless cars out of the barn. We pushed at least eight like they were Jenga pieces, and I got the shot.”

Your first book was about men and their watches. Some of those same men are in this book talking about their cars. What’s the common thread between “watch guys” and “car guys”?
I think guys like aesthetically pretty machines. And I think they’re symbolically heavy. A watch and a car, your choices of those things—if you’re being very conscious about it—present yourself in a very specific way to the world. Both have emotional intimacy, or the potential for emotional intimacy: the watch you inherited from your father, in my case, or the car that you dreamt of in high school that suddenly becomes your own. They often mark great events in one’s life.

How did you logistically approach shooting this book? Obviously watches are a lot easier to get into a studio ...
I knew that, like with the watch book, I wanted the cars to be seen as they are. Not washed and polished and retouched. I wanted to show patina and wear. I also thought about how we look at cars and how designers intend for the cars to be seen—which is front, rear, and side.

Logistically, this project was a beast. I knew I was going to be traveling around the world to shoot a bunch of these cars, and I didn’t have a massive budget to do that. So I had to be really smart. I wanted to shoot everything on a

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3


4

THE STAR CARS
[1] Hranek shoots a 1912 Hudson Speedster on his mobile set. [2] Marc Newson's 1933 Bugatti Type 59. [3] Jay Leno's restored 1955 Buick Roadmaster. [4] Hranek's own 1987 Porsche 911 Carrera Targa.

black background, like the watches, and so I created a mobile set. I had a custom ripstop nylon backdrop made, some water-filled "sandbags," tent stakes, and rope, and packed that into a giant Filson hockey bag. After a year and a half of traveling around the world with it, I just wanted to burn it!

Which car in the book was your "white whale"—the one that was the hardest to track down?
Well, the funniest was Marc Newson, the industrial designer, who has this incredible, all-original 1933 Bugatti Type 59. When I interviewed him, he was in Greece, and he said, "Listen, the car is outside London being stored. You can go anytime and shoot it." So I fly to London, organize a taxi service to schlep me out to the farm where it was stored … and nobody told them I was coming. The owner of the farm had broken his arm, and this Bugatti was buried in the garage, surrounded by all these other priceless cars. I said, "We gotta get the Bugatti out of here!"

So it was me, the taxi driver, and a man with a broken arm moving all these priceless cars out of the barn. We pushed at least eight like they were Jenga pieces, and I got the shot. Because there was no way I was leaving without a photograph of that, absolutely no way. You have to go into these things respecting the spontaneity of the situation, you know? Because something is probably not gonna go right.

Some of these men you interview, like Jay Leno and Ralph Lauren, have huge collections of hundreds of vehicles. How did they choose which car to talk about?
It came down to one question always, which was, Which of these cars do you have the deepest emotional connection to? And they weren't always the most glamorous cars; they were not always the most expensive cars; they were not always the most expected cars. When you walk into Leno's garage, there are some very impressive machines there, but he went to the 1955 Buick Roadmaster, which was the first car he bought after arriving in L.A. in 1972, for 350 bucks. It's a car he slept in while trying to make it and the car he dated his wife in. And now it's all beautifully restored.

What was the car that charmed you the most?
I love Fiat Pandas. My friend Paolo Tumminelli teaches about car design [at the University of Cologne] and has owned spectacular cars and driven some amazing things. But his passion is Fiat Pandas, the early ones designed by Giorgetto Giugiaro, and his passion is infectious! You have this little box that looks like a toy Land Rover, like a car that a kid draws. But the amount of thoughtfulness in the design of that car that most people probably wouldn't even look twice at, I just think is spectacular.

You chose your own 1987 Porsche 911 Targa to open the book and set the tone. Why that one, out of the cars you own?
I was a kid of the '80s, and I loved the Porsche 911. I had a poster in my room of a Targa. That was the car that just made my pupils dilate and my heart race. And when I met my wife, this was her ex-boyfriend's car. Yolanda made him buy it at auction because she thought he wasn't representing hard enough, in the car situation. Fast-forward, we borrow that car to drive from San Francisco to Palm Springs, and we eloped! There are a bunch of juicy details in between, but I ended up getting that car in a horse trade. I think I made out pretty good in that deal. ■

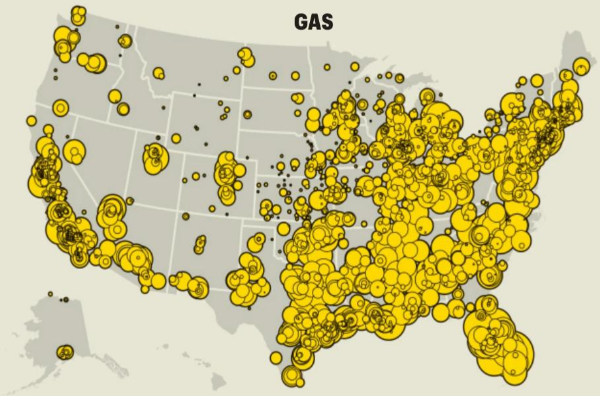
COURTESY OF A MAN & HIS CAR/MATT HRANEK/ARTISAN BOOKS

DIS-UNITED STATES OF ELECTRICITY

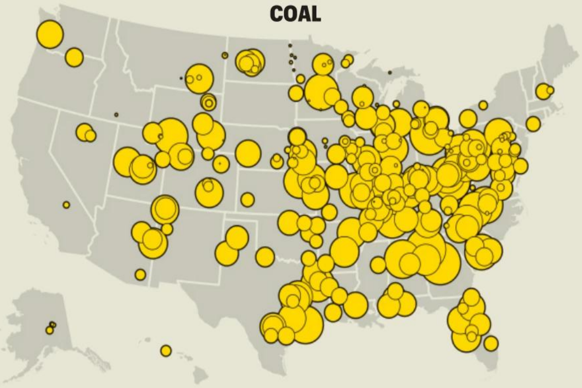
THE FUTURE OF POWER GENERATION is solar. That's the view of the International Energy Agency in its new *World Energy Outlook* report, released in October. The biggest reason: Solar is now cheaper than coal or gas in most of the world. "I see solar becoming the new king of the world's electricity markets," said IEA's executive director Fatih Birol. There's still a long way to go before that forecast becomes true in the U.S. Last year, utility-scale solar produced just 1.8% of U.S. electricity, according to the Energy Information Administration, despite rapid growth in recent years. The overall portion of power from zero-emission sources, meanwhile, edged up to 38%. —**BRIAN O'KEEFE**

FOSSIL FUEL PLANTS

GAS



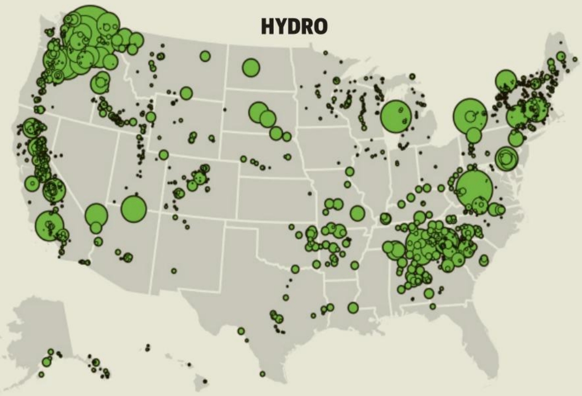
COAL



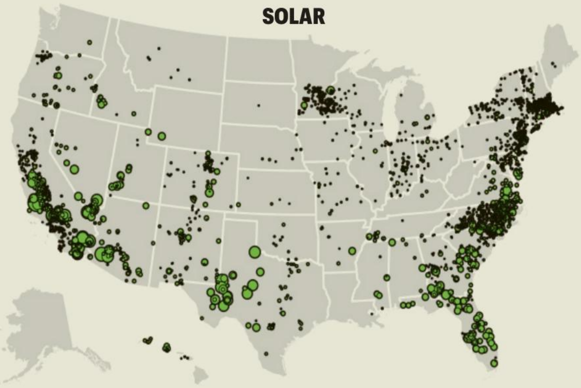
PLANT CAPACITY (MEGA-WATTS):

ZERO-EMISSION PLANTS

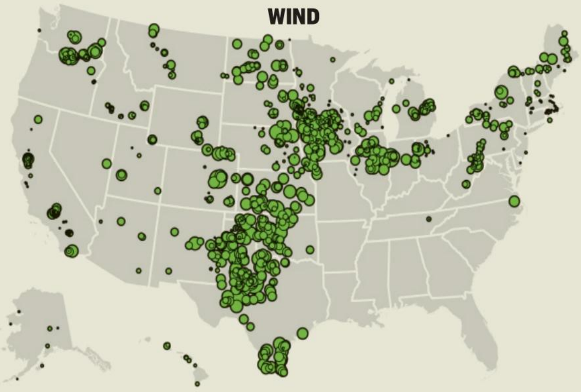
HYDRO



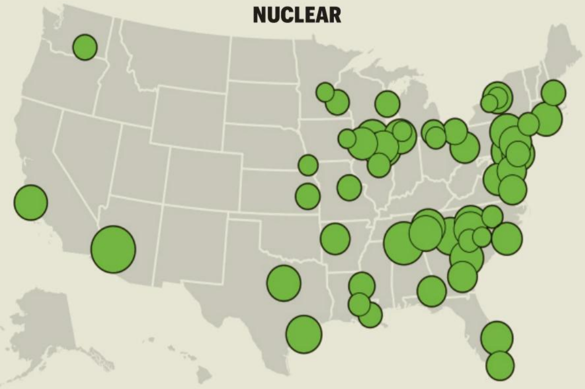
SOLAR



WIND



NUCLEAR



U.S. ELECTRICITY GENERATION BY ENERGY SOURCE