

SERIAL SUCCESS

EDS TAPS RON RITTENMEYER
'72 TO LEAD TECHNOLOGY
GIANT'S TURNAROUND

By Kim Bower-Spence

Ronald Rittenmeyer '72 is a self-described failure at one thing: retirement. A determined businessman with a track record of turning around ailing companies, the Kingston, Pa., native has retired three times.

Rittenmeyer, shown here in EDS' board room, says the only job security in life is your results.
ALL PHOTOS BY STEVE MCALISTER

He emerged not to lightweight jobs either. The last time he left retirement – after a record two-month hiatus – he went to work at a private equity firm. Then EDS Chairman Michael Jordan, with whom he'd worked at Frito-Lay, in 2005 talked Rittenmeyer into joining then-struggling EDS, based in Plano, Texas. The technology giant, founded 45 years ago by former presidential candidate Ross Perot, had fallen on hard times amidst global competition for its outsourcing services.

In July, EDS named Rittenmeyer president and chief executive officer, putting him in charge of 137,000 employees in 64 countries and contracts totaling \$26.5 billion in 2006. “Ron has been instrumental in driving the company’s turnaround,” Jordan said in announcing the appointment last summer. “Under his leadership, EDS completely transformed its entire sales and delivery operations, while delivering dramatic improvements in quality and productivity.”

BLUE-COLLAR BEGINNINGS

Rittenmeyer’s father worked two blue-collar jobs to help him attend Wyoming Seminary, a local private school. Ron himself started pumping gas for a quarter an hour at 12 years old and worked his way through high school and college. “I knew what I had to do to get certain grades and get through certain classes, and that’s what I worked against because the rest of the time I was working,” he recalls. “My last couple years at Wilkes, I had three jobs at any one time.”

He learned to balance work and school. “Wilkes was a school that was there for you when you needed them to be there but didn’t overly manage you, didn’t overly mollycoddle you, made you stand up for whatever you were going to do.”

He was aquatics director at the Jewish Community Center when he met lifeguard Hedy Wrightson ’72, a biology major to whom he’s been married 33 years.

TRIAL BY FLOOD

Rittenmeyer cut his teeth in crisis management weeks after graduating from Wilkes. Following the Agnes flood, in June 1972, he became a leasing adviser for the U.S. Department of Housing and Urban Development and within a year worked his way up to finance officer for the entire state of Pennsylvania.

He worked briefly in Washington, D.C., before landing a job with snack food maker Frito-Lay in Binghamton, N.Y. During his 20 years with that company, he worked in shipping, branding, marketing, sales operations and as a plant manager. He spent four years with PepsiCo Foods International, where he was head of worldwide operations and responsible for

businesses in the Middle East. He returned to Frito-Lay to head all operations before accepting an opportunity to become chief operating officer at Burlington Northern Railroad.

Rittenmeyer has also served as president of Merisel, a software and hardware distributor; president of truck renter Ryder TRS Inc., which he led to a merger with Budget Corp.; chairman and CEO of Railtex, which he sold for a 300 percent gain in two years; president and CEO of AmeriServe, where he led a restructuring and sale; and chairman and CEO of Safety-Kleen, a hazardous waste management company he led through reorganization from Chapter 11 bankruptcy. “I’m never quite sure how they all connected, but they did. You’ve got to be ready to take a little risk. I moved a lot.”

Along the way, he earned a reputation as a turnaround CEO. “The term ‘turnaround’ is overused,” Rittenmeyer says. “The fact is every company, to some degree, is probably a turnaround. Who says what a company’s doing is the right performance level to be at and that there isn’t more to achieve. To be successful in today’s global economy, every company needs to be in a constant state of improvement.”



Rittenmeyer is shown outside EDS’ Plano, Texas, headquarters.

Willingness to take risks accounts for some of his success, he believes. But the key is to be frank and honest with people and own your results.

“The only job security in life is your results. The only thing seniority should give you is more vacation time and better retirement. But short of that, it’s only about performance.”

When asked about accomplishments, Rittenmeyer immediately brings up family. “(Hedy) is my best friend and an incredible supporter who is very smart, very insightful and always there for me and for the family,” he says. “By far, one of my greatest accomplishments is getting her talked into marrying me. My success is clearly due to our partnership, which allowed the opportunities to work from a family perspective. We actually became a closer family due to the changes and challenges associated with these moves.”

He counts son Chris, 30, and daughter Ashley, 23, as his other accomplishments. Chris is a vice president for EDS division ExcellerateHRO, lives in London and has seniority over his dad at work, with seven years at EDS. Ashley, 23, graduated this spring from Southern Methodist University, Dallas, with degrees in business and psychology.

“ Success is a CONTACT SPORT. It requires constantly working and constantly looking for the BEST WAY to do it. ”

The family moved quite a bit over the years, living in nine different states before landing in the Dallas area for the second time, in 1985. The Rittenmeyers decided that was the last move. Ron elected to commute to his various jobs in California, Denver, South Carolina and San Antonio. He recalls flying home for soccer games and other activities to keep connected with the family.

When not working, Rittenmeyer loves the water and the beach. He was a pilot but gave it up because he couldn't fly enough hours. He and Hedy have had a home in Hilton Head, S.C., since 1985, and own a farm in Nicholson, Pa. They enjoy a cabin on Lake Texoma in Texas, where they keep a 60-foot boat. A master scuba diver, Rittenmeyer enjoys several dive trips each year with his family.

Whether at the office or at home, Rittenmeyer believes, success requires work. “Success is a contact sport. It requires constantly working and constantly looking for the best way to do it. It requires you to be thinking on your feet. It requires you to treat people right. One of the things that I think is absolutely fundamental is that you will never get ahead, in my view, unless you have the highest ethics, the highest personal standards and you lead by example.”

The EDS CEO oversees 137,000 employees in 64 countries.





Ron, Hedy and Ashley Rittenmeyer share their Plano, Texas, home with golden retrievers Bailey and Madison.

Q&A: A CONVERSATION WITH RON RITTENMEYER

EDS President and CEO Ron Rittenmeyer '72 shared his views on running and leading a global business with Paul Browne, dean of the Jay S. Sidhu School of Business and Leadership at Wilkes.

Q: From your perspective as the new CEO, where do you see EDS going in the future?

A: We believe there is significant opportunity to modernize legacy systems. The issue in most industries today, whether it's the U.S. or Europe or anywhere globally, is that many things which were built to service the marketplace have actually become cumbersome and, in some cases, have created barriers in the market from allowing companies to really expand rapidly.

We have a process developed called "legacy modernization," and it's an area that we really plan to explode over the next couple years. Most of the modernization takes what people use and reengineers around the base so you don't lose customer information, you don't lose employee information.

We plan to expand in these areas globally while continuing to utilize offshore expansion – what we call "Best Shore" resourcing – not only for price but for quality.

Q: How do you see your role as CEO helping the company make this type of transition?

A: Clearly it's to create value in the corporation for the shareholders. You first of all need to make sure that the pathways that you're taking, the industries that you're expanding in, the places that you're investing in, have the right returns and are the right types of investments based on what you see in the marketplace. Equally – maybe even more – important is talent. One of my major jobs is to ensure we have the right type of talent to meet the expectations that we set.

Because we're in business to make a profit and our customers are in business to make a profit, we need to provide them the best opportunity, the best solution and the best possible price. Finally, it's looking at acquisitions and ensuring that I'm expanding the company appropriately to bring synergies in areas that are going to create a value to our shareholders.

Q: What impact are the globalization of the world economy and the extensive offshore outsourcing of information services having on EDS, and what is the company doing to take advantage of the opportunities and challenges involved?

A: We have a global workforce, and we are a large member of the world economy, and we take advantage of every one of these opportunities and challenges based on the country we're in. We have a workforce that mirrors the customers, so we're very diverse. The way we deal with that is by having offices and people hired locally.

We continue to look even further at certain emerging nations to decide how much we want to invest. For example, we're not big in Russia. We have some business there that we support, but we're now looking at whether we want to expand there. Down the road we will do that, I'm sure.

Q: What are some of the pitfalls or traps that are out there, and how is EDS trying to deal with them?

A: We work hard at placing the work where we think it gets done at the best possible price to the customer and the highest quality. You have to have both quality and cost be aligned. Quality is number one; price is number two.

The world is truly a global economy. In China, they graduate more engineers in some of the major city areas than we do here in the United States, so the market in terms of the quality of student and the quality of the workforce continues to be an area that is expanding rapidly, and Asia tends to play a major role in that.

We seek out areas where we think the education level, the quality level, the background is such that we can develop these people, and then we bring them in and train them.

Q: The University recently announced this to be the Wilkes Year of the Environment. How do you see environmental issues shaping business strategies for EDS and your company's most important customers?

A: There's always hype around environment, but, unfortunately, there's probably less done than appropriate. The world is faced with a constantly increasing demand for energy. So what you seek and demand is, for example, that the equipment manufacturers continue to look for ways to reduce the demand, as well as reduce the amount of heat per square foot that is required of these faster chips and faster machines. We have all types of programs throughout the company focused on energy reduction plans, efficient use of lighting, efficient use of power supplies, balancing peak loads. Beyond the fact that you need to do this from a planet standpoint, you also need to do it from an economic standpoint.

Q: At Wilkes, especially in our business programs, we emphasize leadership development. Could you share what has made you a strong leader and any advice you have for those who aspire to become effective leaders themselves?

A: A good leader's got to be practical. You have to have good communication skills. You have to be fairly transparent. Let's get to what is the real issue that we're trying to solve, and that takes really honest, straight, factual communication. Good leaders work in fact, not opinion. And if they're going to use opinion, they classify that it's an opinion.

Good leaders take responsibility for things that many times aren't even their problem but they can have an influence. It's important to be part of the solution, not just identify the problem.

Just being the smartest guy in the crowd isn't the answer. It's what do you do with that; it's how do you turn that into something. How do you make sure it makes a difference? And how do you rally other people to want to be part of that and to want to get excited with you?

Q: How do you get started down a path where you have an opportunity to grow this way?

A: Somebody told me many years ago that I would have the opportunity to witness great leadership and terrible leadership, and the most important thing was to

be able to understand which was which and to be able to separate those people that gave me great leadership from those people who gave me terrible leadership, and to understand the differences. And some people would give me both.

There's no secret sauce, there's no pill, and there's no book. Leadership is something that takes the average person and makes them want to do something that's exceptional, and that requires you to help them see the opportunity, to support them, but to make the calls that you've got to make. Leadership can be lonely, and it can be energizing. Most of all, it comes with responsibility, ownership and a clear expectation to deliver results every day.

Q: In your journey from Wilkes to the top job at EDS, there must have been some pivotal moments. Could you tell us about an example or two of key people who served as your mentors along the way?

A: My father had an incredible work ethic. His energy was everlasting and contagious. I have always remembered that throughout my career.

I had a couple people who taught me a few hard lessons and did so in a very positive way but clearly made me realize that ownership's an important thing and responsibility's an important thing. (EDS Chairman) Mike Jordan is one of them. He made me think more than I ever thought before and made me stretch my views.

There was another guy at Frito-Lay who originally hired me. I remember I made it to plant manager after eight years with the company. My plant was chosen by Research and Development to produce a new and improved product. When they showed it to me, I said it looked just like the old product, but since they were R & D and apparently knew more than me, at least in their opinion, I went along and we shipped it.

Next morning the phone rang, and the individual who originally hired me – had a professional and personal relationship with me over the years, was now my boss's boss in headquarters – was on the phone. Realize we had a long relationship. I answered the phone and with no pleasantries, he said, "Did you think this product was new and improved?" I said, "Well, to be honest with you, no. I really didn't." He said, "Are you confused who the plant manager is, because if you are, I can have that changed by 2 o'clock this afternoon?" I said, "No, sir, I'm not confused at all." He said, "Then we'll never have this conversation again," and he hung up.

That was a real important moment in my life. They paid me to own what we produced, to not franchise my responsibility, and to take charge as appropriate. A very clear and real life lesson. Some may think it harsh; but I would say for someone in his 30s this was a wake-up call, and I'm glad he was clear. Too often leaders avoid the honest and frank dialogue, and in the end both the employee and the company suffer unnecessarily.

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