A prescription for

Director Hank McKinnell earns respect as corporate world's 'surgeon general'

by Kent L. Barry

It's hardly surprising that *Fortune* magazine recently dubbed Dr. Henry A. ("Hank") McKinnell Jr. "the corporate world's surgeon general" and also included him on its 2003 annual list of "The 25 Most Powerful People in Business."

Elected an ExxonMobil director in September 2002, McKinnell's career and widely heralded business skills have earned him the esteem of business leaders across the globe.

As chairman and chief executive officer of Pfizer Inc., the world's largest research-based pharmaceutical company, McKinnell is helping to shape the world's healthcare-access agenda while also commanding the helm at one of the top-five most-valuable companies.

From deckhand to chairman

A native of Victoria, British Columbia, McKinnell began his career in the merchant marine.

"I was a deckhand and worked my way up to first mate before getting my master's ticket and going to the university part-time," he recalls.

In what would become a pattern throughout his career, he excelled quickly and obtained a degree in business from the University of British Columbia. In short order, he earned a scholarship to Stanford University, where he completed an MBA and Ph.D. in business by age 25.

His academic achievements did not go unnoticed, and numerous job offers flowed in. Among them were invitations to join the faculty at several leading universities.

"I had offers to become an assistant professor and spend the rest of my life researching about and teaching about

success

business," he recalls. "But it occurred to me at age 25 that I had never actually worked in business. I had worked on a ship. I had gone to school. But I thought that it would be important to get a couple of years of business experience before going back into academia."

Pfizer won the competition for his services. He joined the company in 1971 and soon gained the "couple of years of business experience" he had been seeking.

In the years that followed, he rose through positions of increasing responsibility, including service as president of Pfizer Asia, executive vice-president, chief financial officer, and president and chief operating officer before becoming chairman in January 2001.

A high-risk business

McKinnell is understandably proud of Pfizer's preeminent global position. But he also is keenly aware of the many challenges that confront the industry.

"The pharmaceutical business is a high-risk business," he notes. "We invest (on average) $800 million and 10 to 12 years to bring a new product from an idea in a laboratory to a drug that will benefit patients."

Those investments have yielded impressive results. Pfizer currently manufactures eight of the top-25 best-selling medicines in the world. The company has developed everything from *Listerine* to *Lipitor*, and has 14 medicines that are the most prescribed in their categories.

"This year," he says, "we will spend more than $7 billion finding new medicines to help people with unmet medical needs around the world. It's the biggest challenge I've seen in my career."

Defining parallels

McKinnell points to industry-leading research programs, a commitment to integrity and sound corporate governance, corporate responsibility and an unwavering belief in free-market capitalism as defining strengths shared by ExxonMobil and Pfizer.

"I have visited ExxonMobil Research Laboratories in Houston and New Jersey and am highly impressed with the people and the technology," he says. "What comes through loud and clear about ExxonMobil is excellence in execution. This is an organization that can execute very large, complicated projects unlike any other organization I've seen."

McKinnell believes that the excellence in corporate governance that characterizes ExxonMobil is another key factor in its long-standing success. "Do we really have good governance at ExxonMobil? The answer is, we do. We have a good story to tell."

Other defining parallels between Pfizer and ExxonMobil are the global reach of both companies and the responsibilities inherent in such a wide diversity of operations.

"We are both very large, very successful, global organizations that do business in nearly every country in the world," he notes.

As McKinnell sees it, the major efforts that both companies are making in sub-Saharan Africa to work with local governments and communities to combat malaria, HIV/AIDS and other devastating illnesses exemplify the concrete steps that corporations can take to benefit communities where they operate.

"The real answer to diseases in the developing world, particularly in sub-Saharan Africa, is pretty well known," says McKinnell. "It's representative government, the lack of corruption, a respect for the rule of law, and investments in health and education and freer trade."

The free market wins

Free trade and free markets are central to McKinnell's prescription for improving the lives of the world's growing population.

"Over the past 100 years, we have witnessed a remarkable experiment," he says. "Some economies have chosen free-trade principles, open and elected governments, respect for the rule of law and free markets. Others have followed a different path of government control and government allocation and very controlled markets. Today the results are clearly in. Free-market capitalism wins."

Such clarity of expression, strength of conviction and proven leadership have thrust McKinnell to the forefront among the world's business leaders.

In recognition of McKinnell's commitment to healthcare access, President Bush named him to the President's Advisory Council on HIV/AIDS. He is also the incoming chairman of the Business Roundtable, an organization comprising the CEOs of 150 leading U.S. corporations. In addition, he serves on the boards of directors of numerous corporate, educational and philanthropic organizations.

For a young man who began his career as a deckhand in the merchant marine, Dr. "Hank" McKinnell's future achievements are unlikely to take anyone by surprise. Whatever the formula, his is a prescription for success.