



## Episode Title: Higher Education, Management, and Climate Change — A Conversation with Kurt Landgraf

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**Lynn L. Bergeson (LLB):** Hello, and welcome to All Things Chemical, a podcast produced by Bergeson & Campbell, a Washington, D.C., law firm focusing on chemical law, business and litigation matters. I'm Lynn Bergeson. This week, I had the distinct pleasure of sitting down with Kurt M. Landgraf, former Chairman and CEO [Chief Executive Officer] of DuPont Pharmaceuticals Company and most recently, former President of Washington College, located in Chestertown, Maryland. I have known Kurt for a number of years now and thought a conversation focusing on Kurt's extraordinarily diverse background would be an interesting mix of Big Pharma, higher education, and Kurt's observations on preparing students for careers in environmental disciplines. Kurt's storied career makes for a fascinating conversation that I think you will enjoy. Now, here's my conversation with Kurt Landgraf.

Well, Kurt, it is such a pleasure to be with you today. I've been so looking forward to this podcast. You have enjoyed, Kurt, an astonishingly diverse and successful career. And the terms "President" and "CEO" are repeated often throughout your very extensive resume. Maybe for the benefit of our listeners who are less familiar with your storied background, can you provide just a high-level overview of your distinguished career?

**Kurt M. Landgraf (KML):** Thank you, Lynn, and thank you for the opportunity. After I left graduate school, I went in the Navy; it was during the Vietnam War. And when I came out of the Navy, I went to work for Johnson & Johnson [J&J] in their executive development program many years ago. Then I went to work for ETS for a very short period of time, the Educational Testing Service. Then I went to work for Upjohn in Kalamazoo, Michigan, and then I went to work for Endo. I didn't realize Endo was owned by DuPont. And then after Endo, I went to work for DuPont, the parent company. Then I went back to ETS after I left DuPont. And then from ETS, I went to Washington College.

At the same time, I've been on the boards of many large corporations, a couple I would give you are Corning; Louisiana-Pacific; Icon; NDC, which is a pharmaceutical company; AAI, which is a pharmaceutical company; and Remedy Pharmaceuticals, which is, of course, a

pharmaceutical company. And I am currently now doing some consulting, and I work with the American Millennium Society to do that.

**LLB:** Excellent. You've been astonishingly modest, Kurt, because although the bulk of your career has been spent with the pharmaceutical industry and various companies, including J&J, Upjohn, DuPont Merck, and DuPont Pharmaceuticals, you've also ascended to some very senior leadership positions in each of those organizations. In your role as CEO and President and occupant of the C-suite, what are some of the most memorable challenges that you have confronted in your role as CEO of some of these very storied pharmaceutical companies?

**KML:** Sure. Let me give you the positives, and then I'm going to give you a big negative.

**LLB:** Fair enough.

**KML:** And how I dealt with both of them. Is that good? The big positives for me is that I was in charge of the introduction of ibuprofen, which you all know as Motrin. I was in charge of the introduction of alprazolam, which you all know as Xanax from Upjohn.

**KML:** I didn't know that, Kurt!

**KML:** And I also -- when I was at DuPont, I introduced and brought forward a product I'm very proud of called Coumadin, which was used widely to save a lot of people's lives through atrial fibrillation. So I'm very proud of that. And then I was also very proud of the fact that we introduced a product called Sustiva, which was one of the three products used to stop the AIDS epidemic.

**LLB:** Excellent.

**KML:** It was estimated we saved perhaps a million people's lives a year with that drug. And also very proud of the fact that Endo developed and introduced a product called Narcan. Narcan is used for narcotic overdoses. It's still given out. It's given out now widely. EMTs [emergency medical technician] carry it. People who work with drug addicts carry it. Those are the positives, and those are the things that I'm most proud of.

**LLB:** For good reason, Kurt. Those are fabulous drugs that are used often and to good effect.

**KML:** The thing that was my biggest challenge in the pharmaceutical industry and all the companies I worked with was we also manufactured, developed, and sold a product called Percodan and Percocet. Percodan is oxycodone and aspirin. Percocet is oxycodone and Tylenol or acetaminophen. As you know, Lynn, the oxycodone products, even though these were low doses, became very difficult because they're highly addictive products, So one of the biggest challenges I had was recognizing that these products needed to be dramatically controlled.

And there's another company that didn't recognize that: Purdue Frederick. They got themselves into a tremendous amount of problems doing that. That was one of my biggest challenges is making sure that we didn't reward our sales reps for overprescribing of these drugs; Also that we controlled distribution. What I always remember is because we made these products, I was on *60 Minutes* to explain these drugs. I was with Chris Wallace on a program called *Prime Time Live* talking about these drugs. Eventually, I decided that we

needed to sell them, and we did. I got rid of them, but that was probably the biggest, most difficult challenge for me in any of the pharmaceutical companies that I ever worked.

**LLB:** We certainly are very familiar with the challenges that a number of Pharma companies face as a result of the marketing of that particular product. And it raises a really good question, Kurt, which is there are very significant regulatory and, for lack of a better word, optical challenges the pharmaceutical industry faces today and has for many years. On the one hand, pharmaceuticals are very much a part of life-saving measures, a part of our daily lives, and the industry offers products that we literally can't live without. On the other hand, we're talking about issues like the one you just noted with respect to marketing products that people become addicted to and otherwise experience a lot of tragedy. Do you have any thoughts on those big buckets of issues, regulatory and optical? And perhaps what can the pharma industry do better or differently going forward?

**KML:** It takes 18 years from the time that you file a patent application with the FDA [Food and Drug Administration]; it takes 18 years for regulatory approval.

**LLB:** Good Lord. Really? I had no idea.

**KML:** There are three phases, NDA [New Drug Application] phases, that you have to go through before you're approved. On average, it takes 18 years, so that cuts deeply into your patent protection. This is one of the reasons that so many pharmaceutical companies have merged. It's almost -- there was a time when there was like almost a thousand pharmaceutical companies. There are now maybe a couple of hundred at most because you need critical mass. So that's one of the things that's occurring on a worldwide basis, and I could give you the names of AstraZeneca. We could go through a whole bunch of hyphenated names, like DuPont Merck, I mean, big combinations.

**LLB:** A lot of consolidation. Yes.

**KML:** The most difficult -- but I think it's not just an optical issue, Lynn. I think it's a real issue -- is pricing, because as you look at pricing on a worldwide basis, it's very divergent. You can take a look at -- let's just take Mexico, Canada, and the United States. Very often, pricing for the same exact pharmaceutical entity is different in those three countries. Even in the United States now, the V.A. [U.S. Department of Veterans Affairs] pays less money for drugs than does Medicare. So as the pharmaceutical industry looks to the near-term future, it's going to have to face the issue of, not just the optics of pricing, but the reality of pricing on a geographic basis, and more of a parity because, as you know, it's become a highly politicized issue.

**LLB:** Oh yes.

**KML:** You've got people at both ends of the spectrum who want to seek control. That is going to be, in my opinion, a reality and probably should be. There should be some boundaries set of pharmaceutical pricing and reimbursement.

**LLB:** I think a lot of people would agree with that, Kurt. And as you suggest, it is highly politicized and very much an issue on Capitol Hill as we speak. Let me ask you a question about your own education. We're going to get to your service as super popular President at Washington College. But in terms of your own education, I noticed on your resume that you have three master's degrees. Did one or all of them prepare you for the really extraordinary career you have enjoyed?

**KML:** Yes, Lynn. The one that I am going to tell you about is probably the one you would be least likely to choose.

**LLB:** Okay.

**KML:** And the one that has been most valuable to me is I received a master's degree in social psychology. And as you know, I have a degree in economics and a degree in administration, and I went to Harvard --

**KML:** Right. That's not the one I would have expected you to select. You're exactly right, Kurt.

**KML:** But it really helped me to understand the humanity of people and the conditions people face and the pros and cons, how people think. So social psychology is about how people relate within organizational structures. Of all of the degrees I ever had, the one that was most beneficial to me in running large organizations was social psychology because it made me learn to listen, learn to value, and learn to understand that people relate to issues in very different ways.

**KML:** Exactly right. Well, it probably explains, Kurt, why you have been as successful and as popular in each of the roles that you have ascended to. The one that I know you in is as a college president. And given the response the students had and faculty and administrative staff to you, that speaks very highly of that particular degree and the skills that you acquired in being able to leverage those skills in very different working environments.

When you left DuPont and became President and CEO of the Educational Testing Service (ETS), I noticed from your resume that you had been there, as you correctly noted at the beginning of our conversation, you were at ETS briefly, I think in the marketing department, but then returned as President and CEO. ETS is widely known for its standardized testing services. What else does ETS do? It's always been a little bit of a mystery to me anyway. And what drew you back to ETS and made you stay with the company for 13 years?

**KML:** ETS, in addition to being a very large standardized testing global company, is also the world's largest private research organization, which most people don't know about.

**LLB:** Exactly right. They don't.

**KML:** Has about 650 Ph.D.-level scientists who do educational research on a worldwide basis. They have a thing called PERC, which is the Policy Education Research Center, which is quite large and quite influential. They do a lot of work with federal and global governments. They hold contracts, research contracts with the federal government to not only do assessment, but also educational evaluation. So it's a very, very large organization, which has always primarily -- it's been about 75 years old. And it primarily has been a standardized testing company, but it also peripherally has a very large research and development component, which most people, as you point out, Lynn, don't really know about, because it's not something that unless you're involved in the educational world, you would see. So a lot of collaboration with the higher education institutions, a lot of collaboration with the governments, state and federal governments and local governments. So it's a very diversified organization.

**LLB:** I would imagine some of that research that those 650 or so researchers focus on goes beyond standardized testing. Or do they also focus on just the seismic changes going on in higher

and middle school education in the United States right now? Or what is it that they focus on in researching?

**KML:** Yes, many things. But one of the main things that they're looking at are the demographic changes, that focus on higher education. They're looking at how to recognize that student achievement is far more than just standardized testing. Now I'm on the Board of ETS right now, and they have a huge effort to make sure that we value young people based upon many accomplishments, not a single test score. So a lot of effort in the research organizations going into human capital assessment, whether that be workforce certification or preparing people for higher education or preparing people for the job market. A lot of research is in that area.

**LLB:** I'm glad to hear that, since human capital is very difficult to quantify and certainly, I would think, just intuitively goes far beyond how you perform on a standardized test. So that's good news.

Let's focus a little bit on your really, I think, extraordinarily unique background in finance, Big Pharma, which you've talked about, your C-suite leadership skills, and the fact that you have worked for as long as you have in ETS in all of the diverse areas that we've been focusing on. This, to me, seemed to make you a perfect candidate to lead Washington College, where you served as President from 2017 to 2020. Tell us a little bit about your experience as President of Washington College.

**KML:** Well, I love Washington College. I never expected to be a college president. I had been the Vice Chair and then the Chair of the New Jersey Commission on Higher Education when I was at ETS. And so I didn't have a lot of interaction in higher education, but I never anticipated or thought I would ever have an opportunity to become the president of a higher education institution. And I was asked by a mutual friend of ours to consider it in 2015, which I did.

I loved it from the minute I got there. I loved the young people. I loved the faculty. I loved the staff. I love the city of Chestertown. There was -- everything about it I really enjoyed, and was very disappointed when I didn't get the job offer in 2015. Another really terrific human being got it, Sheila Bair. About two years later, I was asked to reconsider if I would come back, and I did. And I loved it. I loved every -- I loved the students. I loved the faculty. I loved the staff. I loved the interaction. I loved the athletic programs. I think it was the most enjoyable job I have had in my career, and the most different.

**LLB:** Wow, that says a lot, Kurt!

**KML:** Oh, it is. I think the two hardest jobs in the world -- well, the two hardest jobs that I know of -- is being a college president and being the superintendent of schools. You have so many constituents: students, faculty, parents, alumni, the community that you're in. It is -- your Board. It is a very difficult job, but I look back on it as one of the most enjoyable periods of time in my entire life, in my entire career.

**LLB:** That speaks highly, Kurt, and as you know, and in the interest of full disclosure for our listeners, I'm on the Board of Visitors and Governors of Washington College. And I can attest to your popularity as President. The students really loved you. And the obvious joy that I saw in you when serving as President of this wonderful gem of a liberal arts college located in really beautiful Chestertown, Maryland, on our Eastern Shore.

You raise a good point, though, that higher education and serving as President or even as you suggest on boards of schools is really, really difficult. We're living in a very challenging time where everyone has very diverse views about what should and should not be taught, how best to teach. How do we address changing demographics? How do we make college more accessible? Despite all of these challenges, that you loved it as much as you did speaks highly of you and your skills in relating to diverse cohorts, that is very much a part of the campus reality these days.

Let's pivot to Washington College as a really outstanding environmental sciences school. That's one of the curriculums that I know drew one of my children to attend Washington College, its gorgeous campus in Chestertown, Maryland. Based on your experience in the private sector, both in industry, in the pharmaceutical industry, and your work with ETS, what in your view, Kurt, is higher education's role in helping society achieve a more sustainable and more environmentally diverse place in the world? Washington College, I think, prepares students extremely well in the environmental sciences. But more generally, what do you think colleges should be doing today to make our students more environmentally aware?

**KML:** Climate change is the most concerning issue facing the global environment that I can think of, and anyone who doesn't see that after the kind of climate difficulties we've had in major storms and burning down of forests, and all of those things that are apparent to anyone, no matter what your political persuasions are. Environmental change can destroy the world. And so what I'm a big proponent of -- higher education has something that is not available in many other places, and that is a huge amount of intellectual capital to bring to solve the issues of climate change. And so what I have always said to myself -- and I hope higher education will do this -- higher education institutions need to combine, need to work together. I was always advocating for Washington College to work with Johns Hopkins in the area of environmental sciences. But they do need to work together, and then they need to collaborate in a very productive way with governments around the world, work with environmental organizations like the Chesapeake Bay Foundation, for example.

Higher education brings the intellectual capital and objectivity that I think is necessary. But to do that, Lynn, colleges and universities like Washington College have got to get beyond their very boundary behavioral patterns and their boundary curriculum standards and work together to help other governments and other institutions. This has got to be a joint effort. And if that doesn't begin to happen -- and I'm so concerned that this issue has become so politicized that we're not going to get where we need to because if we don't change soon, I really worry about the future of our planet.

**LLB:** I know a lot of people who share your concern, Kurt, and, being the eternal optimist, I am hopeful that with all the attention being focused on climate change and the challenges that we face as a global community, we will get the message and we will be more efficient in that department.

You serve on many boards of directors. You enumerated some of the ones that you serve on now and have served on in the past. As someone with proven leadership skills, how do you navigate being a leader at a time when seemingly all institutions are really struggling to demonstrate their value, resolve problems, and overcome the polarization that you've just enumerated and identified? Do you have any thoughts about how -- your skills in relating to people and your master's degree that you just spoke about -- how can you put that to use to get over some of these divides that have kept us where we're at right now or seem to be stalled out?

**KML:** Lynn, I would say that the three most important things that I could say on this issue is respect diversity. Then second, respect diversity. And then third, respect diversity.

**LLB:** All right. I hear you.

**LLB:** Because you've got to value differential opinions. And that's where many organizations go awry that they get a mindset, and they don't understand that people have a varying degree of understanding and views on a variety of issues. So if you value diversity of thought, but that also needs to include valuing diversity of the cohort of people who you work with. You can't have a viable organization without a meaningfully diverse constituent of people you're working with. But if you're going to do that, you've got to value and encourage the interchange that goes on between the various cohort constituencies. And any board that I've been on, any place that I have been on, if you value the constituents and value their opinions, heterogeneity brings about a much better solution than homogeneity. So the one thing I would say is that the key to success for any organization, no matter how large or small, is to have a diversity of people engaged in your discussion and then value that diversity of opinion and then act on it in a way that allows you to have a creative future. So that's a longer answer than perhaps you wanted, but that's the thing I think most important.

**LLB:** No, and I think you're exactly right, Kurt. As you know, I personally value diversity a lot. I also think it's hard to achieve in some institutions. And perhaps in higher education, I think many boards -- our own Board at Washington College is certainly becoming much more diverse and values those attributes. So those are words to live by, Kurt, and I appreciate your response.

Speaking of higher education, I understand now that you are teaching a class at the University of Pennsylvania. You've taught at Harvard. What are you up to at the University of Pennsylvania?

**LLB:** I'm going to teach in the spring semester, so I'm not teaching, but I'm going to teach the same course there that I taught at Princeton, which is leadership in the not-for-profit sector. There is a growing understanding that the not-for-profit sector -- whether that be higher education, whether that be non-corporate entities without a profit accountability -- need to be led in a very different way. So that's what I've been asked to consider to teach, and I'm hoping we'll be able to do that.

When I taught it at Princeton, I loved it. In the Woodrow Wilson School there, they have a very large contingent of people come in, from the federal and state governments primarily, who look at leadership in the not-for-profit sector. So I think that -- I always enjoyed that. I enjoyed the interchange and the same things that apply in the corporate world, quite frankly, apply and maybe even more so in the not-for-profit world, because in the *for-profit* world, there is ultimate accountability to shareholders, and that's called the stock price. In the not-for-profit world -- and the experience we've had together at Washington College -- there's no accountability that comes direct. So people who run not-for-profit organizations, whether in higher education or elsewhere, need to develop their own sense of accountability and what they value and what they want their institutions to be going forward.

So that's what I hope to be doing in the spring, and I'm doing that a little bit now in my consulting practice. It's been -- I would just say to you that it's my opinion that in the world of higher education, and I know this isn't a popular opinion, but I believe that 50 percent, 50 percent of liberal arts institutions will be gone in the next five to ten years. They're not going to make it. They just don't have the business model to make it. They don't have the

demographics to make it. Things are getting far more difficult in recruiting students -- 50 percent will be gone. So there's a growing demand for people to try to understand governance and understand strategic thinking as these institutions move beyond their historical experiences.

**LLB:** We'll have to have you back after your spring class, Kurt, because with that prediction, a lot of people will be wanting to understand better how they can prepare for the changing demographics in higher education. I know it's very, very challenging out there. Fifty percent is a pretty big number, so I hope you're wrong, but there definitely will be consolidation. I think we can absolutely agree on that.

Many of our listeners are professionals in the chemical space, both the industrial chemical and agrochemical. Given your super diverse background, Kurt, what recommendations do you have for professionals in this space, if any?

**KML:** Yes, I know I do. I think that the chemical industry has consolidated dramatically. So, for example, DuPont and Dow merged. That's been the case worldwide with the chemical industry. The chemical industry of today is very different than it was even ten or 15 years ago. The thing I would say -- I would urge people in the chemical industry to do -- is recognize that the chemical industry is a pollutant. It just is; it's what happens as you make chemicals. We need that to happen. It doesn't make them bad or bad companies or bad people, but they need to be honest and forthright about what they're doing about that and do everything they can to control that activity worldwide. So honesty, control of pollution, and recognize that the chemical industry is a big part of the environmental future of this globe.

**LLB:** Absolutely.

**KML:** As people in the chemical industry at every level think about what the future of their organizations would look like, they should put first and foremost in their minds the impact their organizations have on the environmental stability of our country and of the globe. That would be the recommendation I would have. And in addition, be honest; don't cover things up. Things happen. Be honest; be forthright. And I think people in the chemical industry will find that the value that they bring, which is significant, will be even more valued if they are honest and recognize that their role in creating a better and more sustainable world is real and they control it themselves.

**LLB:** Excellent thoughts, Kurt. They reflect my own views, and really, really, really appreciate your candor, your passion, which is always part of the conversations I've had with Kurt. You're a very passionate guy, and I really respect your views and really appreciated the opportunity to chat with you today in this conversation. Any final thoughts?

**KML:** Always wonderful to talk to you. You were by far one of my best and most favorite Board members at Washington College. Getting to know you has been a real honor, and I really appreciate the chance to talk to you. I think the world and the country is at a major turning point.

**LLB:** Indeed.

**KML:** Every organization that I've ever been part of and where we are now, we need to move on from this polarization that we're dealing with, or we're going to find ourselves in a really difficult situation in this country moving forward. That would be my final thought, and thank you for allowing me to do this.

**LLB:** Thank you for joining us today, Kurt. All my best, and we'll catch up again after your course in the spring.

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