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Cover Story

Doug Baker, the CEO you probably recognize

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As far as visible Twin Cities CEOs go, there are few more active and involved in the community in recent years than Doug Baker.

The local boy who played hockey at Minneapolis West High School has spent the past 16 years building his hometown company Ecolab Inc. into one of the 250 biggest companies in the country with nearly \$15 billion in annual sales.

The astounding growth numbers at Ecolab go beyond sales. When Baker took over, Ecolab's market cap was \$7.2 billion. It's now \$61 billion, and the share price has gone from \$27 to \$215 as of Dec. 28.

Ecolab employs 50,000 people, up from 13,000 when he started, and ranks 213th on the Fortune 500 list.

Particularly in the back half of his tenure as the head of the company, Baker has been an active player in civics and economic development in the Twin Cities. He helped create regional economic development organization Greater MSP. He was a leader in the push for a publicly funded Minnesota Vikings stadium and later helped the Twin Cities land Super Bowl XXVI.



PHOTO ILLUSTRATION BY MATT HAESLY |
ACBJ; GETTY IMAGES; ECOLAB INC.

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He led a \$40 million fundraising campaign to build a Catholic Charities homeless shelter in St. Paul and has been active in several other organizations.

This fall, Baker announced he would retire at the end of 2020 and would be replaced by [Christophe Beck](#). Baker will remain as chairman of the company's board of directors.

A few weeks before his retirement, Baker took some time to speak with the Business Journal about his tenure, his future and Beck. The interview has been edited for length and clarity.

You made it 16 years as CEO of a Fortune 500 company. It's not very common that a CEO lasts that long. What's your trick?

Start young. That's a big advantage.

The company changed dramatically, so in many respects, it felt like more than one job. What I mean by that is I took over a really good company and we are a substantially bigger company now. Operating this company versus that company are different assignments.

It's not that one's harder than the other. In some respects, a bigger company is easier in terms of managing ups and downs and risk because they're muted because of your size. But then with size comes some additional complexity. So it's just a bunch of tradeoffs. It's not that one's easy and one's hard. It's just that they're quite different so you can feel like you continue to grow, learn, renew yourself, even though you've been ostensibly in the same job for a long period of time.

The growth of Ecolab has been remarkable. Do you ever sit and think about those numbers?

I'd be lying if I said I didn't care. Part of your job is to create value. But you've got to understand you get value for the shareholders if you create value for customers, and communities give you a right to operate and all the rest. I'm proud of it, but this isn't me. There's 50,000 of us, and I've got a team.

If there's one singular thing I'm proud of, or would go back and say was the secret, it's hire great people and promote great people. If you end up with a very good team, the job's quite manageable. And if you don't have a great team, it's impossible.

Your replacement is Christophe Beck. I imagine it was with your recommendation or blessing that he's going to be stepping into the role of CEO?

Yes, but it's the board's decision. Let's be clear that they select [the CEO]. They decided if I'd be CEO every day or not. And it's a board decision who's going to be the next CEO.

I hired Christophe 13-plus years ago and have always believed in his talent, so I'm not surprised. I was part of a board who approved him, but it's not as easy as CEOs just picking their replacement.

How handson do you see yourself being as chairman? Are you going to step back and allow Christophe to come to you if he needs help, or do you plan on getting involved more often?

I'm sort of a purist. As chairman, I'll run the board in concert with our lead director and our partners. Christophe runs the company, plain and simple. If I wanted to still run the company, I wouldn't have retired.

Christophe is more than capable. He's ready. He'll do a great job. He doesn't need me. I'm certainly there for him in any way he sees fit, but it's really his call. That's the way it's going to work.

You are leaving Ecolab at a time when demand for the company's products is at an all-time high because of Covid-19. Did that change your thinking about leaving the company?

The point you make is fair. Certain of our businesses have never had a higher demand. And then our business that serves restaurants, hotels and cruise ships has obviously been impaired from a sales standpoint. That's going to get fixed — we have a vaccine on the way.

We're in a stable part of an unstable environment. Covid has been an extreme event in a number of ways. It's certainly impacted our business. We are now nine or 10 months into it and I think we have much more clarity about how it's impacting us and what we need to do. We put a lot of things in place. We're adding capacity where we need to. We're taking measures in the businesses that have been impacted to strengthen them for the future. I feel very good about where the company is. It's not like it's in the perfect market yet, but I think the market is going to come our way even more strongly as we move forward, and so does Christophe.

I feel great about where the company is, where he is, and honestly, where I am, and all three of those things have to align. And they're aligned. The most important ones, honestly, are Christophe and the company.

You were part of the push to get U.S. Bank Stadium and the Super Bowl. Why were those two things so important to you?

Well, they're connected. I felt for this community it was vital to retain the Vikings. [Also], I felt ultimately we were going to need this resource anyway.

There's always this debate about whose responsibility building stadiums is. If you go to the Roman Colosseum, the earliest one that we talk about, I believe it was built civically.

I thought it was really important because if we didn't do it, I do believe we would have lost the team. And then you know what we'd be doing? Building a stadium and working to recruit a team.

The stadium has been an unqualified success. The Super Bowl, I would say, is like a large rebate check that comes with the stadium. You'd be crazy not to try to cash it in.

The NFL — it's not a quid pro quo overtly, but it's understood that your odds of obtaining a Super Bowl are much higher if you built a new stadium. And it was very important, economically, to go get that rebate, if you will.

You have been a big booster for St. Paul. When you moved out of your former headquarters tower you ensured that it was redeveloped in a way that was helpful to St. Paul, and that building, Osborn 370, has lured a couple of companies from out of the Twin Cities to move in. So it's been a success. However, I wonder what you think about downtown St. Paul and where it's going right now, because it was challenging for downtown to get a daytime population before Covid — and now Covid is making things worse.

I'm quite optimistic about St. Paul. I like our mayor. I think [[Melvin Carter](#)]'s doing a good job in a tough situation. I don't agree with everything he does, but in total, I really think he's on the right track and working to do the right things. He's engaged. He listens. He doesn't think like everybody else. So all that is positive.

Osborn 370 has been an overwhelming success, and having us stay downtown is beneficial to downtown, obviously. It's very hard to discern momentum in any of these situations with Covid. What you have to do in downtown is sort of work through Covid and evaluate a year or 18 months from now and see what's happening down there.

We've added several companies, even during these times. The incubator project that we've sponsored has drawn several companies to move to the Twin Cities. In addition, they've housed themselves in the 370.

You can talk about these concepts and these strategies, but what you need to do is actually do something about it. That's what we've worked to do is be part of tangible actions that are going to drive virtuous results. It's how I think about business. A strategy is one thing, it's important. But then you've got to have the ability to figure out what the catalysts are to drive the change, and make the strategy realized.

I'm a bull on downtown St. Paul. I think it's got a lot of charm. I think we're doing a good job enhancing it.

What is next for you? Is this the end of your career as an executive, per se, or do you think there is a potential job out there you might want? You're not that old of a guy.

I have no desire to be CEO of a public company again. I've done that for 16 and a half years. I don't think there's any better company to run than Ecolab, so I certainly wouldn't leave that one for another one. That's not the plan. However, I'm going to still be involved in business. Do I run something directly? I'm not going to say no, but that's not a key part of the plan. If that's important for me to realize a vision, I'll do it.

I want to work in more venture startup areas. I want to do some work in some of the communities that honestly need more capital and some bets made on them.

I will do that in some of the underserved communities historically. I [also] want to work in some of the environmental-technology areas. But it will be clear they will never be competitive against Ecolab.

Would you be interested in investing your own money into that kind of thing or would you be involved with a fund, or both?

I'm not really interested in joining somebody else's private equity group. It'll be more on my own, or in a group that I form with other folks who might be partners.

I've been an angel investor and a little startup investor over the past 10 years in maybe 10 or 12 companies in the community, very quietly. But that is totally my money. I'd rather do both my money and get involved in an appropriate way with management, where I can make a difference.

Being CEO of a publicly traded Fortune 500 company has to be time consuming. I would imagine this will give you some time for your hobbies. What are some of those?

I love to ski. I don't golf a heck of a lot. I guess I'll double my golf time, from the one round I played this summer. That'll be easy.

I'd love to see friends more, spend more time with family and do all that stuff. And I'll spend more time on some of the things that have always interested me but I just didn't have time to do, like some of the startup stuff I'm talking about. I'll work more deeply in certain parts of community activities. I don't plan to retire ever from the work to continue to strengthen the community.

This is home for [wife] Julie and I. We hope it will be our home long term, that's the goal. We're here willing to pitch in.

Are you someone who would ever run for public office?

No. I get asked that a lot. I'm not a party member. I'm not a Democrat. I'm not a Republican. That's a big hindrance for running for office if you're not affiliated with one of the parties. But I just don't find that's the best way for me personally to make a contribution. There's other people better geared for that.

You and former U.S. Bancorp CEO Richard Davis were major pillars for civic engagement. Do you see other CEOs filling that void?

I do. When I became CEO, I remember Stan Hubbard in particular reached out to me at a meeting in an incredibly gracious way and basically congratulated me on my new job and also encouraged me to live up to my responsibility civically. And that's the ethic in the business community here.

There was concern at that time that the new leadership, which I was part of the new crop of CEOs, wouldn't live up to the civic responsibility in the same way that the predecessors had. That's always a concern, as new generations come in.

I know a number of these [new] folks. When people immediately become CEO, they need to focus on their job and get on top of the horse, so to speak. But invariably, all of them also understand that you've got to take care of the community that your company counts on. You see it when people are several years into the job and they start taking a more active role in community initiatives. A number of people step up to fill the roles and the responsibilities that exist out there. I've got the utmost confidence in that.

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