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From tariffs to Target, ex-Medtronic CEO Bill George's advice amid uncertainty

The Harvard Business School fellow says leaders must stay true to their values right now.

By Victor Stefanescu

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Former Medtronic CEO Bill George is pictured on April 17. (Aaron Lavinsky/The Minnesota Star Tribune)

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Former Medtronic chief executive and Harvard Business School executive fellow Bill George calls these times for corporate leaders “the most challenging I’ve ever seen.”

The White House this month briefly imposed, and then later paused for 90 days, many new tariffs President Donald Trump proposed on what he called “Liberation Day.” But the administration [has raised](#) the import tax on Chinese goods. Companies such as [Abbott Laboratories](#), which has a large Minnesota workforce, said last week that tariffs will cost them hundreds of millions of dollars.

The tariffs come as [workforce cuts at the Food and Drug Administration](#) within the Department of Health and Human Services (HHS) have left some medtech and biotech leaders worrying that regulatory approvals will slow down the commercialization of lifesaving devices and medicines.

George, who grew Medtronic to become Minnesota’s most valuable publicly traded company during his tenure in the 1990s, said the tariffs don’t make sense and called the HHS cuts “devastating” in an April 17 interview with the Minnesota Star Tribune. The best-selling

author – who has served on the boards of Goldman Sachs, ExxonMobil, Novartis, Target and Mayo Clinic – said leaders must stay true to their values right now.

This interview has been edited for length and clarity.

You outlined in your book “True North” that providing consistently good returns for shareholders is one of a handful of qualities making a good corporate leader. How challenging is it to be a strong leader right now?

I think many CEOs are trained more to manage the business in stable times. The ones that are going to thrive are the ones that are most adaptable to unstable times.

Still, there's going to be a significant negative impact on shareholders. There's going to be a negative impact on customers because of higher prices: inflation triggered by the tariffs. You could see significant layoffs coming if business doesn't flourish and companies are forced to do that.

So, there's just tremendous uncertainty. And some people think this is all going to end in a few months or another year or so. I'm of the view that this is going to go on for a long time, and we're just starting to see that because we're in a dynamic situation. It's not just: “What will our tariffs be?” But, “How will the European Union respond? How will Canada respond? How will China respond? What will Vietnam do?” No one knows.

I personally would like to see zero-for-zero. “You don't tariff me; I won't tariff you.” And I thought when President Trump originally had the idea of matching foreign tariffs coming into this country, that was quite reasonable. But, we've moved away from that to a whole different formula that says, ‘If we trade with a country, that's bad.’

I'm a believer in David Ricardo's theory of comparative advantage, and we seem to have blown that up. Do you really want Walmart to get its T-shirts from the United States? You're not going to recreate the textile industry, which has gone away here. What should Corie Barry at Best Buy do – are you going to try to recreate the television set? There are no television sets made in this country. So, this makes no sense to me.

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Device reviews helped determine Medtronic's product pipeline during your time at its helm. What do you make of the recent changes at the FDA?

These changes are devastating. I talked to a leading pharmaceutical CEO this morning to get his input. This is very significant. Because, when you lay off 10,000 people at the FDA and 10,000 people at CMS [the Centers for Medicare and Medicaid Services within HHS], don't think that the best people are going to stay. And some of the best people, like Peter Marks, are getting pushed out. So [the agencies] don't have the skills necessarily.

We have the research establishment being decimated. Harvard yesterday lost \$2.2 billion. There's so many things coming in cancer right now. Medtronic is working on so many things for neurological diseases, which are the great frontier. These are very hard things, and you're going to need a lot of trials. If you don't have a capable FDA – if you aren't funding the money for university research – it's going to be devastating.

Do you think business leaders' strategies addressing federal changes are the correct ones?

First of all, it starts with your values and your purpose. I think the first thing that CEOs – and any leader of any organization, whether it’s Harvard University or the University of Minnesota – need to do is stay true to their values. Then, they need to be clear about their purpose and stay true to that. If they deviate in this time, they’ll pay a big price.

I’ll give you an example: Target, where I was on the board for 12 years. Target set its strategy around serving diverse people and encouraging all kinds of people to come into their store. Former CEOs, who were actually quite conservative, prided themselves on being the most gay-friendly company in town, and the most accepting in their product lines as well as in their organization. Now, removing those things, people aren’t quite sure what they stand for.

That’s different than other retailers like Costco that said, “Yes, we stand for diversity. We’re not changing.” So I’m on a different page.

I think CEOs, most importantly, need to stay true to their values and their purpose during this time. Then, I think now is the time to reflect on their strategy and maybe really think about the impact, wait for the changes to be made and then reset their strategies. I think trying to get ahead of it is dangerous because you don’t know what’s coming.

As you eyed your departure from Medtronic decades ago, you told the Minnesota Star Tribune, “It’s important for people to know their leader is vulnerable.” Are there any examples of leaders right now being vulnerable?

Harvard is acknowledging it didn’t control the antisemitism on campus. So let’s put that one out there: Harvard leader Alan Garber is clearly doing that. I think clearly Mary Barra at General Motors, who was trapped with the tariffs, right now is acknowledging some of the mistakes that they made, and they’re trying to adapt to that. So I think we do see many leaders now being more vulnerable.

Some are not. They’re afraid of being vulnerable. But I think when you do that, then you kind of clear the air. You have to admit your mistakes. Any leader that won’t admit their mistakes is not a real leader.

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Victor Stefanescu covers medical technology startups and large companies such as Medtronic for the business section. He reports on new inventions, patients’ experiences with medical devices and the businesses behind med-tech in Minnesota.

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