

Robert Campbell

When a company has traditionally cultivated CEOs from within, the switch to an outside search is a major cultural step. This was the recent case

"Bob knows how to deal with very difficult issues and at the same time let people come out feeling there's hope."

—Bonnie Hill, Hershey Director



at Hershey, and director **Robert Campbell** handled a delicate situation with his unique brand of leadership and diplomacy.

The central Pennsylvania-based Hershey had no clear internal CEO candidates. It had always plucked its leaders from its own ranks, but the board suddenly realized taking the bold step of finding a new leader from the outside could be necessary. Campbell, who recently retired as chair and CEO of **Sunoco**, had just helped guide a similar process at the oil company.

At Sunoco Campbell was an indisputable change master, helping to boost the company's already considerable reputation. He broke new ground in areas of governance and director accountability and he instituted new principles on subjects ranging from the environment to worker's rights.

Fresh from his Sunoco search experience, Campbell played a pivotal role in convincing Hershey directors to seek a new CEO from outside the company. "The decision marked a pretty historic change," says **Bonnie Hill**, a Hershey director. "It's a shift from something that's always been, to having a bold vision for something different."

Campbell pulled it off brilliantly, navigating the search and helping hire **Kraft Foods** veteran **Rick Lenny** without disrupting Hershey culture, Hill adds. "The challenge was to find someone who would fit in with Hershey and be acceptable to the sitting CEO," who has stayed on as chairman. "It was important to choose a search committee chair who has diplomacy and can work through issues without creating any hard feelings," she says.

Hershey directors say Campbell's work on the board has always been of the highest caliber. "His CEO experience has helped him clearly understand the challenges and responsibilities," says **Jack Petrusci**, another Hershey director. "He's on top of all subjects—never caught off guard."

Campbell, who is also Hershey's compensation and organization committee chair, says the company hasn't always been exclusively introspective. The firm had several top managers who had come to Hershey as a result of acquisitions. But Hershey is in a small town, where many shareholders are located. "So it's been easy to draw from local folks. That served the company well for many years," says Campbell.

BORN

June 11, 1937; Wilkesburg, PA.

EDUCATION

B.A., Princeton, 1959;
M.A., Carnegie-Mellon, 1961.

CAREER HISTORY

Recently retired Chair, CEO,
and President of Sunoco.

FAMILY

Married to Nancy, two children.

HOME

Snowmass Village, CO and
Coronado, CA.

FAVORITE BOOK

Ghost Soldiers by Hampton Sides
and *Flags of Our Fathers* by
James Bradley.

FAVORITE MOVIE

Traffic.

FAVORITE MUSIC

Smooth jazz and soft rock.

FAVORITE RESTAURANT

Miguel's and PF Chang's
(both in San Diego).

I DON'T LEAVE HOME WITHOUT...

A purpose in mind.

CURRENT BOARDS

Hershey Foods Corp., CIGNA
Corp., Hypercar, Inc.

“But in today’s world it always helps to have a different approach or a different outlook. It helps to bring in people with other experiences.”

Campbell himself brings a wealth of experience from his Sunoco career, including his efforts to find an outside CEO. As he came close to retiring in 2000, he decided to search externally for his replacement. Hiring from outside, he says, can get a company’s competitive juices flowing. “Some employees may say, ‘I’d better get geared up or get left in the dust.’ Generally what happens is there’s a blender effect,” he says. “Things get shuffled a bit. The company then takes off at a higher rate of speed.”

In some cases, Campbell acknowledges, hiring from outside doesn’t work—the new CEO’s efforts to shake up companies can be met with rejection. In Sunoco’s case, the ascension of Chair and CEO **John “Jack” Drosdick**, who succeeded Campbell in mid-2000, appears to have been a smooth one. In fact, Drosdick had been hired several years before as president and COO to ensure an orderly changing of the guard upon Campbell’s retirement.

It was largely the success of Sunoco’s transition that made Campbell want

to look outside Hershey for its CEO replacement. Although everyone is very optimistic, it’s a bit early to judge the full impact of Hershey’s choice, says Campbell. Lenny just took the helm in May.

Campbell’s impact at Sunoco, however, reaches far beyond the area of succession planning. He established himself as a multifaceted leader among energy chiefs. **Alfred DeCrane**, former chair and CEO of **Texaco**, frequently came into contact with Campbell at industry organizations and conferences. “It was a personal privilege to be in competition with him. He brought his principles of integrity to the industry. He’s bright, thoughtful, practical, and fully committed to any project he takes on.”

As Sunoco chair, Campbell helped make some impressive corporate governance improvements. In 1998, the company adopted a “Statement on Corporate Governance,” which officially put into writing the company’s most recent guidelines. One of the more far-reaching official board statements, it includes a system of formal board evaluation, and mandates that each director be reelected annually. New directors are also required to participate in an orientation process.

The board must also approve, annually, a three-year strategic plan, which the board continually monitors and evaluates. Under Campbell’s leadership, Sunoco also regenerated its communications with shareholders, enacting a policy of completely anonymous shareholder voting.

In 1993 Sunoco made headlines as the first Fortune 500 company to back the CERES principles, a ten-point code on corporate environmental policy. “Sunoco was an energy company and we kind of broke away from that, becoming a real leader in terms of the environment,” says Campbell. Sunoco also helped draft the Global Sullivan Principles in 1999, which advocated worker’s rights, human rights, the environment and community relations.

All of Campbell’s leadership efforts didn’t go unnoticed. In 1999, Sunoco won a “Board Excellence” award from **The Wharton School** and **Spencer Stuart**, the executive search firm. **Dennis Carey**, co-head of board services at Spencer Stuart and a member of the selection committee, applauded Campbell when the award was presented.

“Sunoco is a company that realizes the strategic importance of good corporate governance. And results in the boardroom are almost always a direct result of CEO leadership,” he said. “Bob Campbell is no exception. He has been an innovator in linking the board process to a fundamental restructuring and repositioning of the company.”

Whether it’s a stout-hearted search for an outside CEO, or the creation of novel boardroom principles, leadership involves taking risks, acknowledges Hill. “Leadership is a challenge, it’s not necessarily learned,” she says. “Bob knows how to deal with very difficult issues and at the same time let people come out feeling there’s hope.”

Bob and his wife, Nancy, near their home in Coronado, CA.

