



CEO of GE Calls for More Innovation

JEFFREY IMMELT SPEAKS AT IESE'S MADRID CAMPUS

To stave off the effects of the global economic downturn, Jeffrey Immelt urged companies to focus on innovation. Innovation will be particularly critical in sectors such as industry, health services, clean energy and transportation, said the chief executive of **General Electric (GE)** at IESE's Madrid campus on Oct. 28.

Immelt's presentation was part of a joint event celebrating both the business school's 50th anniversary and the leading Spanish financial publication, *Actualidad Económica's* first half century. Dean Jordi Canals noted in his opening remarks that, "In today's context, it is essential to understand how companies such as **General Electric** become legends."

The boss of **GE** said he remained "optimistic" about the current economic

scenario, and said that actions taken by national governments will lead to an improved financial environment. Nevertheless, he noted that companies will have to seek to do more with less, over the next two years, if they want to excel. "Probably in 2010, no one will be in the same position as they were in at the end of 2006 or 2007, but we will manage to resolve the financial context."

In particular, it will be necessary to develop sound economies that are based on industry and innovation, not just finance. "I've got nothing against [financial services] them, but I believe that we have to evolve toward industry and innovation-based economies."

In addition, he cited the importance of having positive daily cash flow, which allows firms to convert current obsta-

cles into opportunities for growth and greater productivity. He also encouraged continued investment in R&D, as well as innovation, as the way to bring about change. Companies who do so will come out ahead when the economic cycle shifts in the future.

Immelt succeeded Jack Welch as head of **GE** in 2001. He was named one of *Time* Magazine's "Top 100 Most Influential People in the World" in 2008, and currently serves on the Board of the New York Federal Reserve Bank. Other speakers at the event included alumna Isabel Aguilera (PDG-II-98), president of **General Electric** Spain and Portugal.



Jeffrey R. Immelt