

One CFO's True North Journey



By Walter Borst

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I am the first person in my family to be born in America. My parents and sister sought a new life in the “land of opportunity” during the reconstruction phase in Germany following World War II. You can imagine, then, how it must have felt when they arrived in America, equipped with distinctly marketable skills and an incredible work ethic, and were promptly dismissed as “immigrants”. My father was a certified “Meister” machinist. But even with glowing letters of recommendation from an affiliate in Germany to its parent company in the U.S., he was advised to first go wash dishes and learn English. He went to work for another company instead to provide for

his family. It didn't take long for him and a partner to establish their own tool and die company that ultimately made specially machined parts for NASA. One of the unique things my father did was to give each of the employees an ownership share in this new business. He knew, from experience, how important it is to work for something you have a stake in. He valued and respected the workers. In this spirit, my parents raised my sister and me to treat all people equally, regardless of means or social status. They instilled in us a solid work ethic and the notion that we all share responsibility for the greater good. And it was their values I took with me when I became the first one in our family to attend and graduate from college.

I mention this because it is prologue to a journey that a younger me never anticipated. When I graduated with my MBA from Stanford, I was focused on being a successful businessman. I worked hard on delivering results. As my career advanced and I took on increasing corporate responsibilities, I was committed to creating shareholder value while also respecting the values I was raised with. Working with talented people in diverse teams, it was easy to see that the two pillars of human equality and fiscal responsibility support a greater combined value.

Today, as CFO of Navistar, I am gratified to work with people who understand that it is better – more fiscally responsible – to strive for *stakeholder* value. That means we are accountable not only to shareholders, but to customers, dealers, employees, suppliers, partners, and the community at large. We have committed to a shared Navistar purpose that inspires us to *reimagine how to deliver what matters*. It's our True North. And we have acted to support this aspirational platform with practical, measurable strategies.

Our shareholders will benefit from this purpose-driven approach. [Deloitte research](#) indicates that purpose-driven companies witness higher market share gains and grow three-times faster on average than their competitors, all while achieving higher workforce and customer satisfaction. As someone once said, “we can do well by doing good.”

I am further gratified to see the rest of the world placing a priority on environmental, social, and governance (ESG) investing. According to [Morningstar](#), sustainable funds in the United States are continuing at a record pace – with 2020 showing an increase nearly 10 times that of 2018. Navistar is responding as well, with significant capital investments in sustainability, a strong focus on diversity and expanded community activities. And the COVID-19 crisis has further drawn a focus on the value of employee health and wellbeing.

Fortunately, winning in today's marketplace doesn't have to be a zero-sum game. Growing the business in a responsible and sustainable way leverages the power of collaborative effort. Instead of fighting for a bigger piece of the pie, we can work together in a way that grows the business. We can create a *bigger pie* so that everyone benefits.

That's the kind of fiscal responsibility I find in Navistar's shared purpose. To me, being purpose driven becomes a self-fulfilling success strategy. That's why, as CFO, I work not just for shareholders, but for all stakeholders. This is core to the values I was raised to uphold: Treat everyone equally; put trust in a diverse group of people that work hard, and you will prosper together.

We've all seen posters that say something like, "our people are our greatest asset." No one can argue with that. A company IS its people, and their loyalty can make or break the business. That's why culture is critical. Today's workforce is mobile. Increasingly, bright young people want to be part of something bigger than themselves. They want to belong to a movement – a cause that matters. Environmentally responsible. Socially responsible. They seek others with that shared sense of purpose. This means, as today's leaders, we own the responsibility of attracting, growing, and promoting the best people from a variety of disciplines, perspectives, and cultural backgrounds.

By empowering our people to *reimagine how to deliver what matters*, and rewarding a broad range of approaches, we can attract and keep the best people. And that is key to unlocking the interest and loyalty of new customers. Navistar's clients represent a diverse marketplace; how can we expect to deliver what they want – *what matters* – if we aren't diverse ourselves?

Of course, it's hard for business leaders to look in the mirror objectively. We all think we're doing a great job with diversity, equity and inclusion. That's why Navistar, and many other companies, are encouraging a robust Employee Resource Group (ERG) initiative to champion a broad range of perspectives. These groups help us to be proactive about rooting out bias and correcting systemic prejudice.

I am the Executive Advisor to one ERG, the Navistar Pride Alliance, which represents our LGBTQ employees. I am both proud and humbled to admit that I was inspired not only by my parents' example, but by my son's. He became co-president of his high school LGBTQ organization because he wanted to take a stand as an ally to his gay friends. My experience has been to make friends with a group of generous, committed, and resourceful individuals. It's been a hugely rewarding experience for me. And it's nice to think that my wife and I have passed on my parents' belief in equality to our sons.

Being part of this purpose-driven company means that I am still, and will continue to be, on a journey – one that began with determined immigrants that now needs to be continuously nurtured with energy, passion, dedication, support and a desire to do what's right. Today, I hold myself accountable to my colleagues who strive every day to deliver what matters. And I work hard to be a good steward to help deliver value for all of Navistar's stakeholders as we follow our True North.