

GE's Jack Welch is 'No Winner' Claims Financial Expert

Welch's claim in his new book "Winning" that the 'dirtiest little secret in business is lack of candor.'is ridiculous, claims expert.

(PRWEB) May 5, 2005 -- Former General Electric CEO, Jack Welch, would have us believe in his new book, *Winning*, that "The dirtiest little secret in business is lack of candor". "Ridiculous," claims financial expert Carole Symonds, who is quick to point out that the dirtiest little secret in business is the fact that CEO's don't understand how to impact the bottom line.

Analysts, stockbrokers and CEOs alike focus on earnings growth as an indicator of how well a company is performing. While Mr. Welch was at GE's helm between 1992 - 2000, net earnings grew an average of over 11% per year, and the stock price grew by an average of more than 18% per year.

When you peel back the onion, you see that GE's true profit performance during that time period did not even beat the yield on long-term government bonds. GE's Return on Invested Capital averaged a dismal 7.3% under Jack's command, leaving Jeff Immelt holding the bag, with GE's current ROIC sitting at an unacceptable 5.4%

According to Symonds, "Corporate profitability is not about candor. Having a great team can increase your chances of building a better product, and better executing your strategy, but in the end, it all comes down to numbers. Although a company's employees may be the brightest and most technologically advanced, without financial skills they are like fish trying to swim upstream in a puddle of mud."

Symonds, Partner in a Global Financial Advisory Firm and co-author of 'Millionaire Manager'.states, "I see this time and time again. CEOs blame all sorts of different variables for failing to achieve their financial goals. It's easy to say it's the people, so let's weed out the weak. It's also simple to blame it on the economy, 9/11, or lack of vision. Whatever the excuses, the underlying cause is the same. Every single employee has an impact on the bottom line -every day. Without the proper tools, success rests more on luck than on skill, which can only carry a company so far. Mr. Welch experienced that."

Asked if she would like to challenge Mr. Welch on GE's financial performance, Ms. Symonds replied, "Name the place. I'll be there." Mr. Welch, are you ready?

See article

<http://www.MillionaireManager.com/media/Article/Welch.pdf>

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