



The Economic Club of New York

113th Year
576th Meeting

David L. Steward
Founder and Chairman
World Wide Technology

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Webinar

Moderator: Michael O'Neill
Vice Chairman, The Economic Club of New York
Retired Chairman, Citigroup

Introduction

Vice Chairman Michael O'Neill

Good morning and welcome to the 576th meeting of The Economic Club of New York in our 113th year. I'm Mike O'Neill, Vice Chair of the Club. The Economic Club of New York is one of the nation's leading nonpartisan forums for discussion on economic, social and political issues. Before we begin, I'd like to thank our healthcare workers, our frontline workers, and all those in public positions that help make our lives safer and easier during this time.

Our mission is as important today as ever as we continue to bring people together as a catalyst for conversation and innovation. Particularly during these challenging times, we proudly stand with all communities seeking inclusion and mutual understanding. To put these words into action, the Club kicked off its Focus on Racial Equity Series where we have been leveraging our platform to bring together prominent thought leaders to help us explore and better understand the various dimensions of racial inequity and highlight strategies, best practices, and resources that the business community can use to be a force for change.

We will be cataloguing, publishing and sharing those insights briefly and broadly.

We are not doing this work alone and would like to give special thanks to our corporate

partners – Bloomberg, Mastercard, PayPal, Taconic Capital and S&P Global – as well as the many members, speakers and subject matter experts that are now and will be engaged in this work.

I'd also like to take a moment to recognize those of our 316 members of the Centennial Society attending today as their contributions continue to be the financial backbone of support for the Club and enable us to offer our programs. A special welcome to members of The Economic Club of New York 2020 Class of Fellows – a select and diverse group of rising next-gen business thought leaders. Please note that applications for the 2021 Class are now open. Any member interested in nominating a fellow can visit our website for more details. I'd also like to welcome graduate students from Rutgers University, the Gabelli School of Business at Fordham and the Medgar Evers School of Business.

It's an honor for me now to welcome our special guest today, the Founder and CEO of World Wide Technology, David Steward. Founded in 1990, David and his executive team have built World Wide Technology from what started as a small logistics/transportation audit company into a leading systems integrator and supply chain solutions provider. The company operates in over 4 million square feet of warehousing, distribution and integration space in more than 20 facilities throughout the world. The company employs over 6,000 people globally and generates \$13 billion

annually in revenue.

Under David's leadership, WWT has grown to be the most successful business in the history of the government's 8A disadvantaged business and small business program. The company has successfully partnered with DOD, various security agencies, NIH and many other civilian agencies.

David serves on numerous boards including Horatio Alger Association of Distinguished Americans, National Academy Foundation, United Way of Greater St. Louis, Concordance Academy, Washington University, Variety, the Children's Charity of St. Louis, Boy Scouts of America Greater St. Louis and many other organizations.

The format today will be a conversation in which I am fortunate to be doing the honors. We'll end promptly at 11:45 and any questions that were sent to the Club from members in advance were shared with me. As a reminder, this conversation is on the record as we do have media on the line.

Conversation with David L. Steward

VICE CHAIRMAN MICHAEL O'NEILL: So Dave, are you ready for a grilling?

DAVID L. STEWARD: I'm looking forward to it. Thank you for having me.

VICE CHAIRMAN MICHAEL O'NEILL: Very happy to have you here. What I'd like to do is to start off and learn a little bit more about your early background and then get a sense for how you developed World Wide into what it is today and then I'll transition over to asking you about your personal and business philosophy and get a sense for what you think it takes for business to really satisfy its various constituencies. So let's start with your background. We talked earlier about how you spent your early days in Missouri, as did I. Tell us a little more about that.

DAVID L. STEWARD: You know my background, especially being a person of color, growing up in the 50s and 60s and living on the other side of the tracks in Clinton, Missouri, it was an interesting time. And I was born in Chicago, Illinois and there's a story all behind that that's very unique. My mother in the 40s was not allowed obviously to go to high school. We lived on the other side of the tracks. There was only one school, Lincoln School. And my grandparents wanted her to go to high school and get a high school diploma. And the only way to do that was to move to Chicago, Illinois from Clinton, Missouri and uproot the entire family so she could go to high school, and that's what they did. They took the risk and they were entrepreneurial and wanted better for their children and one ended up in Chicago.

As a result of that, she met my dad who is originally from Chicago and they fell in love and I was the fifth child born in Chicago, and my mother said we're not raising our children in Chicago, Illinois. I'm going back to Clinton, Missouri and that's where we're going to raise our children. And so my dad in tow grew up in this little, small town called Clinton, on the other side of the tracks and growing up milking cows and what I call slopping hogs along the way.

And at the same time, you know, I'm reminded of the, not only the humble beginnings, but reminded also about the first day of school. In 1954, Brown v. Board of Education happened and they went on a timetable. In 1957, they decided on the timetable of putting Clinton, integrating the school system. And the Ku Klux Klan said, no way that's going to happen. Here I am going into the first grade and in the midst of all this turmoil going on in Clinton, Missouri. I remember my mother telling me the story about – and I do remember this very vividly – my dad patrolled the town all night to ensure that his five children at the time could go to school safely. It's a memorable moment of sacrifice and commitment to children to ensure their safety during that very turbulent and very difficult and challenging time.

VICE CHAIRMAN MICHAEL O'NEILL: Well, that is, that's quite a story. You know I could see where someone would, who had lived through that experience be rather, have a chip on their shoulder, an understandable one. I read your two books, which

we'll talk about a bit later. And in one of them, let me quote something here. It says, "The greatest inheritance that I received from my parents is the love of Christ. Therefore, at an early age I knew that God loved me, that he loved all people, Black or White, rich or poor, and that he had a special purpose in life for me." So those, as you've described, indignities, that you went through don't seem to have jaundiced you in any way, or certainly not in any obvious way. Why is that?

DAVID L. STEWARD: I think I had an opportunity which very few have the opportunity of seeing God's love in action through my parents. My mom and dad and the commitment they had made to their children and the sacrifices they were making for them to have a better life was an integral part of how it shaped my thinking of what Christ looks like as well what his love looks like through them and their wonderful example. And it held us accountable to that high level as well. You know grace and truth is kind of a part of the mindset that I have. And as I look at my parents and look at those within the community as well, there was an accountability, there was a strength that was gained from all the injustices, all the challenges from, not being able to go to the movie theater but to sit in the balcony in the movie theater to the restaurants we couldn't go to, the swimming pool we couldn't go to, to the, just basic stuff like the roller rink we could not go to. There were just things you could not do in that town because of the racial divide and so forth as well.

But also I think it strengthened me around being in forgiveness. My parents taught me about the power of forgiveness and not allowing people to steal your time and energy and focus away from God's call for your life. And they always instilled to us that all things are possible and they instilled to us the ability to be able to stretch yourselves and do it to the best of our abilities. And that was just a part of the way we live, the part of the way we worked, and hard work was a part of how we grew up. You know my dad set a good example of what that looked like. And every morning I got up, we had chores to do, and part of that was milking cows. So when I talk about milking cows and slopping hogs, it's a real story about hard work and that was just a part of the responsibilities everybody had as a part of our family.

VICE CHAIRMAN MICHAEL O'NEILL: Interesting. So you went to Central Missouri State University. What did you major in there?

DAVID L. STEWARD: Business. I went to business. I got a BS in Business Administration, emphasis in industrial organization. That was a great experience for me. I didn't realize how poor I was until I went to college because everybody on the other side of the tracks were kind of poor and we didn't recognize that. But we always had obviously food on the table and a roof over our head and the responsibilities of that. And it was a tremendous experience of getting to know people and developing relationships. So many of those relationships are solid relationships I've had for a

lifetime – many that I played basketball with, many that I was a part of, you know, of other social gatherings and events. And I've always emphasized to my son and my daughter the importance and significance of relationships and how you build those and how you're viewed in those relationships as well.

VICE CHAIRMAN MICHAEL O'NEILL: Interesting. Take us through. So you get out of school in 1973 and we have an energy crisis which leads to a recession and you go to work and get laid off. What happens then?

DAVID L. STEWARD: Well, you learn about what are your options at that time to sustain yourself. You know there's unemployment insurance, of course, that you can always get in the midst of that to sustain you. But also I worked part-time as a substitute teacher in the public-school system. And what a great experience to be able to share the experience I had growing up and my mother and father teaching us and developing us and being able to share that with inner city kids. And so I have an affinity about the next generation and about developing the next generation as a result of not only that experience but many other experiences as well.

We have in our ecosystem right now, privately, in the Steward Family Foundation, 100 Steward Scholars. And all the other programs that I've been involved in have had everything to do with how do we develop that next generation of talent to the fullest

potential as well has been a part of how we work, and sowing seed into their lives and influencing their lives and helping in ways that we have the responsibility to. And so I always look at that as eternal return on investment. So every experience has been a component of how it's helped mature me and my responsibility and all of our responsibilities in community.

VICE CHAIRMAN MICHAEL O'NEILL: So you joined the Missouri Pacific Railroad in 1976 and you are the first person of color in a sales job. You must have done pretty well because in 1979 you joined FedEx and by 1981 you were the Salesman of the Year and inducted into the Hall of Fame. So give us a sense of how you made that kind of rapid progress.

DAVID L. STEWARD: It was a fun ride. I think learning about the rail industry, my brother had previously been in the rail industry as a telegrapher and he had been there for a few years prior to that. He recommended that I think about a railroad career. And I interviewed for the opportunity and they put me in a pretty extensive program, sales program and so forth. So I had the opportunity to live, not only in St. Louis but New Orleans, Milwaukee, Houston, LA, and a wonderful client base that I had the opportunity to engage and get connected to and so forth as well, and people that I had the opportunity to experience, to work with.

And then this wonderful company called Federal Express came along and at the very beginning when they had Falcon Jets and Fred Smith was the innovator of his time, starting the spoke-and-hub concept with this company called Federal Express. And the culture that was there was entrepreneurial, we're pushing the envelope regarding possibilities and so forth as well. Zapmail was developed there, the first fax machines, and so forth, the various drop boxes and so forth. All that stuff I was a part of. And some innovations I even came up with during that period of time were recognized and acknowledged as part of the whole system and part of the whole culture that was developed by Fred Smith that was, I think, a foundation for how I think today and very helpful as I think even into the future of how significant and important innovation is and you're thinking that way and pushing the envelope of possibilities.

VICE CHAIRMAN MICHAEL O'NEILL: So you're Salesman of the Year, very successful and a very successful company, and you decide that you want to go off on your own. What was the reaction of your friends and family to that decision given that you had been so successful?

DAVID L. STEWARD: Well, you know, the interesting thing about it, there was only one voice that really mattered and that's, I've been married for 44 years and that voice would have to take that walk with me, the walk of faith with me as well, and she was totally committed. Whatever I decided to do and I was called to do, she was going to be

right by my side supporting it. And so, you know, I had no money. I had two children, a mortgage and all those things that keep people from stepping out in faith, and I had a wonderful job and a comfortable job as well. What made me think that I could go out and buy a company with no experience, real experience, and no backing to really support that? You find a way to be able to do that. You become very innovative, very creative, and very open to options when you get in those situations.

So I was able to convince a relationship, a guy that I knew, that owned a business – he was 64 years old looking to retire and looking to get out of his business – I convinced him to sell me his business for nothing down. And I leveraged his business to get a down payment and money from the bank to give him that down payment and to continue with cash flow for the business, to buy the business.

And they said, later, in '87, '88, they said, you know, you did a leveraged buyout. I said, I did? I said, you know, I'm just a brother with no money trying to find a way to be able to make this work. And as a result of it, was able to buy this company. It was an audit company and the company was, actually audited freight bills for overcharges assessed by the various carriers. And then we expanded that to a full-service brokerage operation where we were actually moving liquid animal feed, cottonseed oil, and orange juice and so forth across the country, around the globe using a private and commercial fleet. So we were one of the first ICC-licensed property brokers at the time in the country that

were doing that.

VICE CHAIRMAN MICHAEL O'NEILL: And that, I guess, the big first step in building what is today WWT, which is a technology company. You had no background in technology as I understand it, right?

DAVID L. STEWARD: So in 1987, evolving out of that 1982, '83 experience, a few years later I was able to transform that company into a different kind of company. I had a great experience at the Missouri Pacific Railroad Company, now the Union Pacific Railroad Company, they had merged together. As a result of that was able to convince the executives there, I was finding just as many undercharges as I was overcharges assessed by the various railroads. And I said, you know, why can't, why aren't we talking, and I'm just having conversation with the railroad administrator, so I was able to convince at the time, the Union Pacific Railroad, to do an undercharge audit which was something they had never done in the 170 years of their existence, unprecedented. And here I've got one of the largest railroads in the country, going to give me all this information for me to do this comprehensive audit of their freight bills for undercharges.

And as a result of that, I had to build some sort of system to manage that process. So in 1987, we built one of the first Land Systems in the country. We had 8088 machines on it. We had a file server that was 660 megabytes. We had a gateway tied to the railroad

itself. We were pulling over the ASCII file over that gateway and downloading a converter box and that converted and dumped it down to our Land System. We used Clipper C++ to develop the software application where we could do the audit 35 to 40 times faster than railroads could do it themselves, then back upload it and then across the gateway, convert it, cross the gateway to load into the mainframe systems. That was unprecedented. It's something that they said could never be done and we had the flexibility and the entrepreneurial spirit in order to get that done. So we were able to bring on the Union Pacific, the Southern Pacific Railroad, the Santa Fe Railroad, the Chicago Northwestern Railroad, the Burlington Northern Railroad. We had every Class 1 railroad west of the Mississippi doing business with us.

So was I in the business of auditing freight bills or was I in the business of using technology in a new and innovative way? At that point, I had the pleasure of meeting Jim Cavanaugh and some other executives at the time that come alongside me and this new vision, a company called World Wide Technology, and we thought the possibilities would be endless in this space. Leveraged everything that I had at the transportation administrative services at the time, set a network up at the same time, began to build upon those wonderful established relationships that I had built for a number of years in transportation with companies like McDonnell Douglas, companies like Southwestern Bell. Companies like those were pivotal in laying the foundation and then we were able to spread about by engaging in the 8A program as well as the small business

administration granting us with an 8A certification in 1991. As a result of that, we graduated years later but we have become of the most successful, the successful small business 8A disadvantaged business in the history of the program.

VICE CHAIRMAN MICHAEL O'NEILL: The story is quite incredible and you tell it very compellingly in your books. Let me, I'm not going to dwell on Worldwide which has been obviously a big success. I now want to sort of drill down and find out what motivates you and what are your business principles here. What do you truly believe in and what gets you motivated every day? You can start by reading a quote.

DAVID L. STEWARD: My faith is extremely important to me and so that's my guidepost. And so I am deeply rooted into the Word and there's principles which I talk about in the book, "Doing Business by the Book" but also "Leadership by the Good Book" as well. And how I build relationships, I build relationships with, whether it's partners or business associates and what I represent and that as well is really important. It's a servant leadership model where I'm here to serve and not to be served in the relationship and doing what's in the best interest of others first.

There's a favorite scripture of mine that says, "Seek ye first the kingdom of God, and all of his righteousness; and everything else will be added unto you." And so, as a result, I seek to do everything I possibly can to do what's in the best interest, sowing, and talent

and resources and improving other people's lives and serving them in ways maybe they would not serve themselves for that matter. And there's a return on investment that doesn't necessarily come from the person that you're serving that is pretty significant for me in my life. And there's a joy in that, of what I represent in that, that I think is pretty significant for my ecosystem of relationships, the ministry that I'm personally responsible for as well. And I believe, to much given, much is required of being in that regard as well.

So I look at everything that I do in organizations that I'm involved in as a ministry, an opportunity to serve people and support them and to model, model what behavior I think is important in their success, and I think that we've had a great opportunity to be able to do that in my lifetime. And so at this stage of my life, at 69, it's all about eternal return on investment – what can I represent for the next generation that we're passing on in God's love and service and commitment to others and an example of that, that my parents were for me that allows that to be able to continue through the generations.

So we're looking at this company and all the things that we're involved in, how do we preserve those set of values that had everything to do with the Biblical Word that I stand and use as our cornerstone, our foundation for my life, for a generation to come? My wife and I several years ago, we put together a love letter to our children as their inheritance. And we think there's nothing more important that we can provide for our

children and for this community of children that we live in and we serve than the love of God that has been shared with us but the love and inheritances of that to our children to preserve for themselves and their families.

VICE CHAIRMAN MICHAEL O'NEILL: Thank you for that. Let me read a quote from one of your books that basically encapsulates what you've just said. It says "Focused on God and His principles for leadership, I'm more concerned with the eternal than the urgent, the person than the product, the relationship, not the ROI. And my relationship with Him as well as others and with what I do with my life I've been given all comes down to service."

Let's focus on that service element for a second. You talk about servant leadership. Tell us more about that.

DAVID L. STEWARD: Well, one of the things, it's putting the best interest of others first has been kind of paramount in my mind. What is it that I can do serve others is really at the forefront of my mind when I'm thinking about a new relationship or a relationship that expands that in a way of in service to, not only to them, but the ministry that I have to represent each and every engagement. When I fall short of that, I try to do the best I possibly can to improve upon, to improve upon that.

One of the things that, my mother passed away about five or six month ago and she represented God's love to me. And at the end of every day I do an assessment of myself and I remember the many sacrifices she made and my dad made, but I also will remember how significant the sacrifice that was made on the cross for me, what that represents to me. And it was personally done for me to save me. As a result of that, you know, I hold myself accountable to a standard that I'm conscious of every day. Where have I fallen short of serving people in that way that honors those who went before me who sacrificed so much for me to be in the position I'm in today, to be of service. To much you're given, much is required, as I look at things. And that's top of mind in each and every engagement, each and every relationship that we have, each and every family member and friend and community and beyond.

VICE CHAIRMAN MICHAEL O'NEILL: That's quite a story. Tell me this, you also have been very involved in Biblical Business Training. You've written a couple of books on the topic. How did you happen to, you know, to start that?

DAVID L. STEWARD: You know actually there is, I only had a little bit to do with that from the standpoint, there was a guy by the name of Brandon Mann, who you see on the book, "Leadership by the Good Book" – he was co-author of the book – he tells the story better than I do. But I met him some 20-some odd years ago and we were mutually interested in helping a young man who was in business that was challenged in

his business and so forth. He was mentoring him. I was mentoring him and so forth as well. And we began, the mentee decided that he wanted to bring us together and we ought to know one another.

And as a result of that, Brandon Mann picked up the phone and called me and we talked about the young man and how we could best help him and so forth. So I'm his 20-years senior. And he says, he tells the story that he had an ulterior motive and that was to get to know me better so I could mentor him. So it ended up being we, Aaron Sharp and I, we began to develop this wonderful friendship over the last 20 years. As a result of that, he took a leap of faith and started this organization called Biblical Business Training and used my book, the first book, "Doing Business by the Good Book" as the first book material, in launching that organization. And the intent was to make Biblical Business Training an acceptable practice and opportunity for leaders in the business community to take a half-hour, 45 minutes every day, with leaders to talk about the Biblical principles, how they apply in business and how they can make a significant difference, not only in your life, in your family, but also in business that gives a different kind of outcome.

VICE CHAIRMAN MICHAEL O'NEILL: How important is your religious background and beliefs in WWT? Is this an expectation of all your employees? How does that work?

DAVID L. STEWARD: No, I mean it's, we have people from all different faiths that are part of our organization. We are very open to obviously diversity of thought and perspective and of faiths and so forth as well. The principles of service and commitment, and trust and integrity, all those are – everybody agrees upon – are significant and important to how and the way we live our lives. And so we hold people accountable to that and not of some specific religious belief or faith.

And so, as a result of that, as a result of that I think we've got a clear understanding about principles and core values that are important to all of us that we hold one another accountable to. And I think actually rising tides rise all boats of the organization and how we engage, how we're connected to our supplier partners and how we're connecting with our customers in the marketplace as well. And as a result of that, I think it's a, there's a clear understanding of our customers and our partners that we are a trusted partner in a way that maybe others may not be that gives us a wonderful opportunity to build a relationship with them in ways that others may not be able to.

VICE CHAIRMAN MICHAEL O'NEILL: It sounds like you've been doing ESG for quite a long time. It's obviously become a topic of great interest to the investment community, but you were way ahead of the current trend. That's for sure.

DAVID L. STEWARD: Well, let me give credit to Jim Cavanaugh and the leadership

team and the entire organization. That's something that's been emphasized and embedded in our leadership for a number of years. And it's, I think, the centerpiece of how we operate, the culture that's been developed. As people are on-boarded and so forth in the organization, there's a clear understanding about that as well. In the interviewing process, that's something that's vetted heavily and so forth as well. I think there's a reputation of the organization as well that permeates well outside the parameter of World Wide Technology that connects to the community and it's an attractive place to be and to be a part of, and it's an exciting place that we're in right now.

As a result of that there's a responsibility that we have to, not only World Wide Technology and the ecosystem but also community that we connect to in a unique and very, very special way that I think it permeates out to as well that we've been investing in for many, many years, our time, and our treasure, and our resources and so forth, that I think are affecting communities, not only here in the St. Louis community but across the country and around the globe.

VICE CHAIRMAN MICHAEL O'NEILL: Yes, I note that not only do you have happy clients, you are consistently one of the 100 best companies to work for. And in looking through the web, I noted that many of your employees speak glowingly of the environment in your firm and of your leadership. That doesn't happen automatically so

your efforts, I guess, are certainly bearing fruit. You must be very proud.

DAVID L. STEWARD: Well, let's say we're very intentional about what we're doing and hope as well, I mean it's one thing to get accolades from those great organizations, great places to work and others that are acknowledging us, but to hear it from our employees or hear it from community in general about our reputation, our brand and so forth, is a high standard. Now, we're not infallible. We all fall short, we all, including me, and all of us in our lives. But we are pretty consistent about what we do and what we represent. We think our brand and our reputation is at risk at every turn and we try to do, we try to do the right thing. And that obviously is beginning to be recognized and acknowledged in the marketplace.

VICE CHAIRMAN MICHAEL O'NEILL: Yes, for sure. Now you are a private company. Have you ever thought about going public?

DAVID L. STEWARD: You know at one time there was a, back in 2000, I think it was '99-2000, the dot-coms were hot and heavy at the time and we went to the marketplace. In fact, that's how I know Stan O'Neal and that group, because we did a Bake-Off and we looked at carving out a sector of World Wide Technology, Telcobuy.com, and taking it public at the time because we truly had an interesting business proposition in the telco marketplace.

As a result of that, as you know what happened in 2000, and our market cap was a couple of billion dollars at the time and so forth as well. We were several weeks from taking it to the public market and the market crashed in that March. And as a result of that, you know, it was a great experience of that but we had no other, entertained no other thoughts of doing that since. We've focused on building a good, solid company for our employees, security for our employees. We would not be able to do the kinds of things we do for our employees and for community, I think, being compelled to the public market year over year, quarter to quarter, assessments to all the regulatory things that you have to adhere to as a result of that.

And so we play for the long term. We play, not for those short-term returns on investment. So we have two primary investors and that's significant and relative to the decisions that are made in our board and so forth that's in place and that's independent, that allows us to be able to do things that a normal company of this size and scale would never have the flexibility to be able to do.

VICE CHAIRMAN MICHAEL O'NEILL: Well, it's been a great success story. I very much enjoyed this conversation. I congratulate you on your great success and your principles. Thank you very much for agreeing to appear. I'm sure our guests and our members enjoyed the conversation.

DAVID L. STEWARD: Thank you for having me. You've been a pleasure and it's been a blessing for me to get to know you briefly prior to the call and at the same time I'm looking forward to having additional conversations with you to learn a little bit more about you.

VICE CHAIRMAN MICHAEL O'NEILL: Okay, I hope so. That would be great. Before I sign off, let me do a little housekeeping here. I'm pleased to report that on December 17th, we're going to host a G30 report on "Mainstreaming the Transition to a Net Zero Economy" with Mark Carney, the U.N. Special Envoy on Climate Action and Finance and former Governor of the Bank of England. That should be a very, very interesting session I would think. We also have signed up Chairman Powell in early February to come to talk about the state of the economy. That should be another extremely interesting conversation. So we've got plenty of things in the pipeline. Stay tuned. We will let you know by email as usual. We've got Adena Friedman, the President and CEO of Nasdaq, is also on the docket. So we look forward to a terrific year hopefully that will be a little more flexible than the one we've just gone through. Thank you all for joining.