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Top CEOs discuss how economic uncertainty is affecting their plans

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Jennifer Rumsey, president and chief operating officer of Cummins Inc., speaks during a meeting with U.S. President Joe Biden, business leaders and governors in the Eisenhower Executive Office Building in Washington, D.C. on March 9, 2022.

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Good morning.

With recession talk on the rise, *Fortune* yesterday assembled a group of top CEOs, in partnership with [McKinsey](#), to talk about how economic uncertainty was affecting their plans for the next 24 months. The group was surprisingly nonplussed. Their collective view seemed to be that the best companies have built balance sheets that will allow them to weather the storm, and have strategies focused on the long-term that will be undeterred by short-term disruptions. Several cited decarbonization as a driving purpose of their strategies.

Their attitudes mirrored the findings of new McKinsey research coming out tomorrow, which McKinsey managing partner for North America Asutosh Padhi summarized as follows:

“If you go back and look at history, moments of uncertainty are where we see what we call resiliency kick in. And companies that handle the moment well actually create real strategic distance relative to competitors.”

Some other excerpts from yesterday’s conversation:

“We’re focused on climate change and the role that our company can play in addressing the need to decarbonize our industry...and on how do we use that challenge to create innovation and opportunity for our business, for our employees, and for the customers that we serve.”

—Jennifer Rumsey, incoming CEO (Aug. 1), [Cummins](#) Inc.

“The focus for us is continuing to reinvest, continuing to digitalize buildings and infrastructure so they’re operated very differently than what historical has been achieved, and continuing to engage all of our constituents in their journey to get to net zero.”

—George Oliver, CEO, Johnson Controls

“Coming out of COVID, our internal target was to have the best balance sheet in the industry so that we could pursue our growth strategy. And, at the time we knew low carbon and circularity were two of the key drivers... We’re a cyclical business and we’ve gone through these cycles before, and you have to keep the long-term mindset and navigate through the short term.”

—Jim Fitterling, CEO, [Dow](#) Inc.

“If COVID taught us anything, it's that home is probably the safest place to care for an aging society. We've spent three decades building a network to do exactly that... We know that we need to create an entirely new profession around home care, so we've really put a stake in the ground to transform how care is delivered and create an entirely new vocation.”

—Jeff Huber, CEO, Home Instead

“You've seen hundreds of thousands of layoffs now from technology companies... We are accelerating our [digital transformation] in the face of potentially an economic pullback because talent is available.”

—David McKay, CEO, RBC

“If a recession occurs, will we pull back? The answer's no, we will not pull back. We have a very, very strong balance sheet and frankly we're going to leverage that balance sheet to differentiate ourselves during a recession.”

—Kevin Hourican, CEO, Sysco

“We're stronger than we were coming into the pandemic... We've been around since 1906, but the way we're operating today, the speed that we're operating with, is just light years of the way it's been.”

—Joe Preston, CEO, New Balance

“[What's] driving us is a combination of all of the turbulence in the world, as well as the push for sustainability... And innovation is really what brings the two of them together and allows us to overcome them.”

—Girish Saligram, CEO, Weatherford

“Since August of 2020, I've had my running shoes on, trying to catch up on capacity for our industry. So going into this this downturn, we feel a little bit more confident. We have a strong balance sheet, we understand where this industry is going, and we want to be ready”.

—Thomas Caulfield, CEO, GlobalFoundries