

Lawless kept busy minding the store

FOCUSED* IS HOW McCormick boss Bob Lawless likes to describe the big spice company's philanthropic and political involvement. Translate this into "punches below its weight."

But in the category of community involvement that counts, Lawless gave metro Baltimore more than it might have expected: He kept McCormick here.

Instead of ending his career by selling the company and unfurling a \$100 million golden parachute, like so many of his peers, he's walking out the door and handing over the keys to his second in command. That's even better for the region than chairing the **Greater Baltimore Committee** or leading a United Way drive.

On Monday Lawless said he'd end an 11-year stint as CEO but stay on as non-executive chairman.

It's not that the Lawless-led McCormick has been a leadership no-show. He gives a ton of dough to Kennedy Krieger Institute for developmental disabilities, has been on the board for a decade and was chairman for several years. He's been involved with Junior Achievement and other kids' groups. McCormick employees still donate a day's pay to charity each year; workers give the fourth-highest amount to metro-Baltimore United Way and so forth.

But McCormick under Lawless isn't close to being the civic leader of years past. It used to call shots, pull strings and lead parades.

Charles P. McCormick was a founding member of the **Greater Baltimore Committee**, the business clique that pushed for downtown redevelopment, the Jones Falls Expressway and sports stadiums over the years. The company is still a GBC member, but Lawless left the board in 2001 and nobody from McCormick has replaced him.

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Bailey Thomas, Lawless' predecessor as McCormick chief, was chairman of both GBC and Maryland Business for Responsive Government, which puts more confidence in markets and less in government than the centrist GBC. Thomas was a trustee of Loyola College, president of the local Goodwill Industries and more.

But maybe that's not realistic for a big-time CEO in an era of global competition. When Bill Jews took over as chief of Care-First BlueCross BlueShield in the mid-1990s, directors told him he sat on too many boards and asked him to concentrate on his day job.

Lawless has done a good but not flawless job of concentrating on McCormick. A thousand dollars invested in McCormick stock the day he took over as CEO is worth almost \$4,000 today — a 13 percent annual return.

Recent results haven't been great, however. Profits got hurt by a botched job of buying vanilla and lackluster sales to restaurants and food manufacturers. Lawless cut hundreds of jobs. The stock has aimed at \$40 for three years without hitting it. Even so, McCormick's

performance has blown away that of other food companies.

From Day One Lawless said he wanted to stay independent. Every new CEO says the same thing. The food business keeps clumping into bigger pieces, and nobody would have been surprised if McCormick ended up being run by a senior vice president reporting to ConAgra, PepsiCo or somebody else. Corporate jobs would shift to New York or Omaha, and hundreds would be laid off.

But Lawless did what he said he would. He didn't gin up a contract with a big payoff in case of a merger; he doesn't even have a contract. He didn't hawk McCormick at food conventions. (Did prospective buyers call? "Everybody gets approached," he says.) He ran the company, cranked up market share and kept its headquarters in Sparks.

That's a hundred times more important than a joining a bunch of boards. McCormick couldn't be No. 4 in United Way without its headquarters and plant here. The company employs 2,200 Marylanders, 1,000 of them in increasingly scarce factory jobs. Nothing stokes an economy like an S&P 500 headquarters.

Lawless had a simple formula for managing his time. "I'm never going to be fired for growing [earnings per share] at 15 percent," he says. "But if I'm on 14 boards downtown, and I'm growing [earnings per share] at 1 percent, I'm going to be fired."

And under that scenario the company's going to be auctioned off.

In a perfect world, CEOs would generate 15 percent profit increases, never lay anybody off, organize companies into a political monolith, give billions to charity and wear a halo. Maryland's business community could definitely use more leadership. (Memo to new McCormick CEO Alan Wilson: Your GBC directorship invitation is in the mail.)

But the surest way for a CEO to give back is to run a good company. The list of GBC founders includes firms that once helped run this town but disappeared after running into trouble: USF&G, First National Bank, the Baltimore News American. Maybe they could have done Baltimore a favor by paying less attention to Baltimore and more attention to business.

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