

Jon Bernstein:

Welcome to PNC C-Speak, the Language of Executives. I'm Jon Bernstein, regional president of PNC Bank in New England, alongside my co-host, Carolyn Jones, publisher of the Boston Business Journal.

Carolyn Jones:

Thanks, Jon. It's great to be with you on PNC C-Speak. Each podcast features local executives talking about relevant and timely business topics. This knowledge-sharing platform showcases leaders with forward-thinking approaches that disrupt the status quo and cause us to think differently.

Jon Bernstein:

Our guest today is Dr. Steve Spinelli, President of Babson College. Steve, welcome to PNC C-Speak.

Dr. Steve Spinelli:

It is an honor to be here. Two luminaries in a wonderful city, I'm excited.

Jon Bernstein:

We're really thrilled to have you with us today, and we'd love to begin by learning a little bit about you, your background, and the steps along the way to your leadership at Babson. And just to cover a few items, you're a Babson MBA grad, a hugely successful entrepreneur. You taught at Babson for a dozen years, 15 years almost, you then ran another school before you took your current job as the president of Babson in July of 2019, and you've maintained your entrepreneur spirit by maintaining board roles along the way. Could you just walk us through some of those pieces of that journey?

Dr. Steve Spinelli:

Yeah, what it is, is a statement of age. If you hang around long enough, Jon and Carolyn, you're going to bump into some level of success, which is actually part of the message when we're talking, action's more important than ability I think, you got to keep going forward. But the intersection between business and Babson for, me really is an intimate one that lasted for 30 years or some such crazy number.

When we started Jiffy Lube, we started Jiffy Lube right out of college, and it was my college football coach. It's an interesting long story, but he was a terrific guy and he had a lot of businesses. He was really an entrepreneur and he'd pick off a player every year and say, "Why don't you work for me?" I worked in a nursing home, he owned a nursing home. My first job was to be the administrator of nursing home. I didn't have a clue what I was doing, but he said, "Work hard."

Then after a couple of years, we came together, we came together often, and he said, "Let's do something big. Let's try to do something that is really at scale." My first lesson about scale, by the way, if you're going to work 100 hours a week, you might as well work for something big. You might as well be thinking big about that. Just really embedded. I went from working in a nursing home 80 hours a week to working at Jiffy Lube 80 hours a week, but I got a capital gain at Jiffy Lube. That's cool, that's a different way to conclude something.

Jiffy Lube was actually in existence, there were two stores. I moved out to Ogden, Utah where the stores were and started changing oil and figuring out the business. Four or five of us, and it was 11 years later that we had 2000 stores and we sold the company. But in that interim, I came back from Utah, we're struggling, working hard, but not making a lot of traction, and I thought, "Boy, I'm either not good enough or I'm not educated enough." And so I made the decision. It was, I wasn't educated enough because if I wasn't good enough, there was no hope. If I wasn't educated enough, I could try to get some education.

I looked around, I couldn't find any schools that taught entrepreneurship except Babson, and so I said, "Okay, that's just, I got to go to Babson." Now everybody in the world teaches entrepreneurship and it's almost a core course in most curriculums, but Babson was the only one. So I did it for seven years at night, which was, for a while, the record for how long it took someone I think in the country to get an MBA, let alone at Babson. But it did sort of set this understanding that you think deeply and act decisively, was a heck of a formula.

So a lot of people say, "Well, they get paralyzed by thinking too much," or there are crazy people that jump out of a plane without a parachute. I'll jump out of the plane, I'll just figure out what the right parachute is so that I land safely. That's sort of smart entrepreneurship and Babson really taught me that. So then when we sold the company, which eliminated the deep economic need, we all have economic needs, but I wasn't worried about lunch after that, and I got my MBA almost at the same time. So there was this incredible parallel and I decided, I know what I want to do next. And I wanted to keep going to school. I'm one of the few people in the history of Babson that said, "Don't give me the degree. I'll just keep taking courses." They said, "No, you got to get out."

And my wife said, "Well, listen, we finally have some money." She always wanted to live in Europe for some period of time, so we moved to London and I did my doctorate there and she had a ball there and we had two little kids. We brought the kids. It was a blast. That led to the whole academic career, came back and taught at Babson. Then I went down to Philadelphia and became president of, you may have heard of the college, it was the first textile college in the United States, Philadelphia College of Textile and Science. The name was changed to Philadelphia University. It had a broader mission then, and it was really vocationally or professionally focused, but we merged Philadelphia University and Thomas Jefferson University. It was a huge medical school and healthcare school, and that was, at the time, which was now, gosh, I think 7, 8, 9 years ago, was one of the largest mergers in the history of higher education.

So it was really a blast to sort of put that together. Got that done, came back to Babson, and then the society had the termidity to have a global pandemic about three seconds after I became president, and I said, "That's great. This college is 100 years old, I'm the one that has to close it. Lovely." But it really did make Babson better. We came together as a terrific organization. We're thriving. I can't help myself, I got to sell a little bit. I'm a retailer. We've got the largest enrollment, the most qualified enrollment. We're the most select in the history of the college. Last year, we were the 82nd most select college, this year we'll be much more select than this. I don't know where that'll put us.

The world is looking for a value proposition in higher education. We're pretty crisp. You come to Babson, you're going to do business, you're going to find your passion, you're going to get a job, you're going to go do well. And then the president will ask you for money.

Jon Bernstein:

Steve, can we go back? I'd love to ask two questions about the history that I just was amazed. First, what did your parents say when you move out west and you're changing oil after you graduate from college?

Dr. Steve Spinelli:

It's a great question. It's the first time anyone has ever asked me that question. I'm 100 years old, and that's the first time. I'm both impressed and a little bit scared now, by the question. They said, "What the hell are you doing? You went to college to change oil." And I said, "But we're going to do it really fast." "Oh, great. That's what the future..."

Carolyn Jones:

You're going to change a lot of oil.

Dr. Steve Spinelli:

We're going to change a lot of oil. Of course, I will tell you, 10 years later, we're at 2000 stores and my parents said, "I told you this was going to work."

Jon Bernstein:

But what was it that gave you the confidence that that was the right thing to do at the time?

Dr. Steve Spinelli:

I don't know that I had the confidence that it was the right thing to do. The coach was a very strong guy. He was a great mentor, he was very tough. He'd bite your ear off in a bar fight, we used to say that. So he had a lot of influence and his belief that this concept was exceptional sort of drove us. It was a bit of a pied piper. You're a young guy and he's a successful entrepreneur, and he says, "Look at this." The gas prices had gone crazy and people were looking how to maintain their car better, but it was a fast economy, we've got to do this quickly. And I'll tell you, I went out to Ogden, I don't think I'd ever been on a plane before, and I flew out to Ogden, I was from Springfield, Mass. If you're from Springfield, and you go out to Ogden, and you've never been, I don't know, west of New York City in your life, Ogden is like a different planet. It's not a different state. It was just so different.

And I'd go out there and there's not a lot of people in Ogden compared to Boston, and I go to the Jiffy Lube and there's cars lined up down the road, and I said, "If you could do this in Ogden, Utah, what can you do in Quincy?" I mean, this is... Okay. I don't think that's a brilliant recognition, but it did embed in me, when there's market demand, all is possible. If you see a real need and you can prove it a little bit, wow, you can open up floodgates. That was this great lesson of, if we can do this in Ogden Bay, we're going to put this all over the country. And we changed the name, we bought it, it was called Jiffy Lube, and we're doing business as Jiffy Lube, but the corporate name, we changed to Jiffy Lube International instead of Jiffy Lube Inc.

And we had two stores in Utah, and we called it Jiffy Lube, which was funny. And we have a shot of bourbon or something and laughed because we just called it Jiffy Lube International. But it was a signal of the whole scaling mentality that, "We're going big in this or it's a failure. We're going to be in all 50 states, we're going to be in every market. We're going to change everybody's oil. I'm offended if you change your oil somewhere else. We are going to do this in a big way." And again, that mentality of scale, and if you're going to work hard... One of the interesting things it taught me, when you're small and you make a mistake, it has a huge impact. When you're larger and you make a mistake, you get by it. There's almost an inverse correlation to risk. It's counterintuitive. And a lot of people, especially students, will come in and say, "Well, I'll keep it small to..." No baby, go. If you believe in this, that scale, that size will cover up for some of the inevitable mistakes you're going to make.

So let's think about this in a bigger way, and I get carried away, but in this generation, the big problems are what the students want to solve. There's a social interaction to these problems. There's a social interface with these problems, and if you're not solving big problems, they don't feel fulfilled. Good. A, I think that's pretty cool. And B, I think it's more economic value being created. So what a perfect combination of this.

Carolyn Jones:

Steve, give us an idea of the size and scope of Babson's student body, etc.

Dr. Steve Spinelli:

Yeah, for those who don't know, shame on you, but I will tell you about Babson. It is a business specialty school. You major in undergraduate, you're majoring in business with 10 different concentrations you can have or you get a graduate degree in a business field. So an MBA, an MSF, a Master of Science and Entrepreneurship, it is all about business. We are the business equivalent of a music conservatory. That's

sort of an easy way to say it. We have 2,832 undergraduates, and we have about little over a thousand graduate students across every... So we're at about 3,800 students now. We have 43,000 alums from 47 or 48 states, and many more countries than that. So we have more countries in our alumni base than we have states. And right now on the campus, I think it's 37 countries are represented.

Carolyn Jones:

Wow.

Dr. Steve Spinelli:

Very much a global institution with an incredibly successful and generous alumni base. It's been a real honor and a pleasure to be here.

Carolyn Jones:

That's great. And then secondly, tell us a little bit about your decision to leave Babson as a teacher, professor, administrator to become a college president for the first time. What went into that decision?

Dr. Steve Spinelli:

Yeah, probably ego.

Carolyn Jones:

That's an honest answer.

Dr. Steve Spinelli:

Some of it. And part of it is aspiration. How many stores did you build in Jiffy Lube? Well, we got to build more. How many cars you did in a single day for a year? Well, we got to do more. And so that sort of gets into your blood and what is the next step and what is the next aspiration is a natural part of, I think, the entrepreneurial mindset. So I sort of was a vice provost here. I'm not sure what I did as a vice provost, but I was a vice provost here and where to from there, and Philadelphia University was this long history, connected to professional education. Their job was to get people jobs and to make sure that their trajectory was great into leadership, had a storied history, but needed help. And so there was a, I don't know that I would call it a turnaround, but it needed some things.

And so it was a challenge that they were looking for some, at that time, young, more energized, assertive, I'll make a lot of changes kind of person. And I went down and I was young, energized, assertive, and made a lot of changes and it worked out and it was incredibly fulfilling and much like an entrepreneurial endeavor. And then I was there. I have a philosophy that you shouldn't stay more than nine years, 11 months and 29 days anywhere. And I was in my 11th year in Philadelphia and I said, "We've got to change. I don't own the company here." You got to hand it off. So left and retired, more than anything. Then you're too young to have this same feeling but my grandchildren live in Westwood. So yeah, I'm coming home.

Carolyn Jones:

Steve, that's really an incredible journey that you had back to Babson and many lessons were learned along the way. Failure is truly a powerful teacher and many say, is the secret to success. So what are some of the hard lessons that you've learned along the way?

Dr. Steve Spinelli:

Yeah, well, the first lesson is that neither failure nor success is final. People say, "I'm a success." Well, maybe at the moment you are. So if you're not aspirational, the underpinning of aspiration supports the movement forward, whether you're successful or failure in any given endeavor or piece of an endeavor usually, but even in the entire endeavor. So you got to learn that it's not permanent, it's not final, and I'm going to learn. Once you realize it's not final, you open your mind to learning it. The other thing I learned was to admit the failure, to admit the mistakes, but also, to explain what you learned from them. Too often people say, "I made the mistake because, and this is what drove me." I'm not sure how that's helping me. I'm not sure how that's helping you. What did you learn from that mistake? If you can explain, listen, A, I recognize it's a mistake and B, this is what I learned from it. I have hope that you've grown.

And I try to do that myself. I make a lot of mistakes. But if I can say, "Steve, you made that mistake. What did you learn from that?" And you articulate that to the audience, be it students or faculty or alumni or people working out, this is what we learned. They have faith that you're going to be better in the future. And so that builds some confidence. And that's hard, especially when you're young say, "Oh, I blew it and here's what I learned." But that's okay. Say you blew it, tell me what you learned. And frankly, I learned that perfect is the enemy of progress. I used to hear it as perfect is the enemy of good. I think it's the enemy of progress. You get paralyzed by this need to not make a mistake and you don't move forward and then life passes you by, or certainly, the opportunity passes you by. So perfect is the enemy. You're going to make mistakes, admit it. And frankly, if you think you're perfect, you're pretty arrogant. So there's a real mistake being made there.

Carolyn Jones:

Yeah.

Jon Bernstein:

Many employers are grappling with changing workforce trends, generational differences, and new employee needs. What do you see as the path forward for employers?

Dr. Steve Spinelli:

First of all, entrepreneurial leadership is about relationships. And what I want to see is an acute understanding of how you build relationships. When that is the core function, then I understand the needs, I understand the capabilities, I understand how to partner, I understand how to serve. It is sort of the font of the foundation for building something bigger and better. And I think it's super important that we're thinking through how we build relationships. I don't know if that answers your question. I get really captured by the fact that if we can adjust ourselves from an internal locus of control to a relational locus, that we'll have a better society.

Carolyn Jones:

Steve, you've actually written several books on business. So what key insights can you share with those listening about effective leadership?

Dr. Steve Spinelli:

Yeah, thank you. The books are also, I wouldn't recommend anybody buying them. There's a zillion books written by Babson authors that are far better than anything I even thought of writing, even in my prime. So I would suggest you go on the Babson website and you'll find more about great business and entrepreneurship and leadership than you could anywhere in the world. It's overwhelming. I try to read one book a week, and I'm so far behind and I'm struggling to keep up. And there's so many good ones at Babson that it's really, really fantastic.

The whole leadership perspective and the key to leadership, I said in the previous question, is about teaching about relationships. But it is a very complex set of relationships that we're talking about. It is one-to-one, it is one-to-many, it is to many-to-many, it is across cultures. And that web of understanding and relationships, we typically don't teach.

We teach organizational design, we teach interpersonal stuff, and then we teach organizational design in business schools. We don't teach the spectrum and the depth and the dimensionality of how these relationships form in different ways. Many-to-many is a relationship. How we deal with China or Canada or Mexico is a big deal. That's a relationship. And we tend to think of it as one-on-one. It's not a bad place to start, I get that. I want you to have good one-on-one relationships. But if we can build out the curriculum, we believe that entrepreneurial leadership will be built on that understanding of how that complex network of relationships can be better grown and that you have a responsibility as an entrepreneur to do that. When we start there, then everything is possible. The nature of what you're doing can change, but the nature of the product or service you're offering could change. But my understanding that I have to bring value, I have to listen carefully, I have to do all of those things across this broad spectrum that you carry on that is portable, intellectual, and human capital that can last you a lifetime and beyond.

And for me, the writing I did was mostly about entrepreneurship and specifically about franchising. The whole Jiffy Lube experience got me all fired up about franchising as a business format. It got me engaged in Planet Fitness, and there's a company called Physical Therapy and Balance Centers that I'm involved with, this incredibly wonderful company. And that was about business relationships. And it taught me that the business relationship and the human relationship were kindred spirits. You could not separate one from the other. And when you really understood those relationships, the cooperation could bring, again, back to the common theme of scale and success, you decrease the risk and increase the potential for success.

Wow, what a powerful formula that is. But it is built on relationships. And inter-organizational forums that we call franchising is all about relationships. When someone calls me and says, "Listen, we got a problem in our franchise." I say, "Let me tell you the three reasons you're having a problem." And they'll say, "Wait a minute, we didn't tell you the problem yet." You don't have to. I know it. I've been there 500 times. So I can tell you almost what that problem is. So if that pattern of behavior persists, we can teach against that and we can help you avoid it.

Jon Bernstein:

Let's talk about a region. Why is Massachusetts a great place to work, live and lead a business, and what do you think needs further attention?

Dr. Steve Spinelli:

You won't be surprised by this answer. I think the education system, and in particular, the colleges and universities are an exceptional network of intellectual, human, sociological, spiritual capital that is rare in the history of the world. The Association of Independent Colleges and Universities of Massachusetts, ACOM, for example. I came back to Babson, was president, I joined this group because you're supposed to join this group. And then I find these amazing 52 presidents who will share everything they have with you and we get deeply into the discussion. This network of colleges and university is a powerful force. Someone competing on that, I don't know how you build a college today. We have just such an embedded competitive advantage around the colleges and universities, that it's really special. And the intellectual capital that has spawned from that in a technological or digital age has elevated us again in the history of the region.

We've gotten this next step up. It's where a lot of the country is on a plane, Massachusetts teams have these stepwise advances, and I think a lot of it is the intellectual capital developed at colleges and

universities and frankly, the human capital, that people come here and then they stay here and they run companies and they do social service, and they do all those wonderful things. And the ecosystem of humanity grows in this concentrated place. And I think it's an amazing competitive advantage. I think we could blow it if we don't continue to innovate and grow. And I think colleges are changing pretty dramatically, but we still have the competitive advantage, I think, in the world around higher education and its interface with the rest of the ecosystem.

Jon Bernstein:

We'd like to close with some rapid fire questions off the top of your head. Are you ready?

Dr. Steve Spinelli:

No, but go ahead. Will that stop you?

Carolyn Jones:

You're ready, I can tell.

Jon Bernstein:

Not at all. We're going to keep going here. What is something that people don't know about you?

Dr. Steve Spinelli:

The most important thing is that I can make homemade gnocchi and I make ricotta gnocchi. There's very few things I cook well, I cook a lot, but I only cook gnocchi really well. I'm happy to go in a gnocchi making competition, and I will go in with some confidence. Boil water, I probably burn myself. Make gnocchi, I'm in.

Jon Bernstein:

We're warned. We're warned. What are you currently reading or watching?

Dr. Steve Spinelli:

I am a history fanatic, so I listen to History Unplugged with Scott Rank almost all the time, and I find that really good. I'm reading a semi-disturbing, but I think will be hopeful, book at the moment called, let me get this right, The Light Pirate by Lily Brooks Dalton. I hope I got that right. It's about sort of a post-pandemic world, a little bit futuristic with a lot of concern about the environment. And I can start to feel the hopefulness coming in and it feels relevant to today's world. And I think it's just beautifully written. And for me, if the book is beautifully written, I will finish it no matter how good or bad it is. The beauty and the writing is really part of the real appeal for me.

Jon Bernstein:

What's a favorite spot you have in the city?

Dr. Steve Spinelli:

I don't know if it's a spot, but I love the whole Freedom Trail thing. It's a bunch of spots. I don't know if it's 17 or 20, I never counted how many there are. I should know that, I'm embarrassed I don't. I walk it sometimes just to walk it and contemplate life and all that kind of stuff. But if anybody comes in from out of town, we're going for a walk almost every time.

Jon Bernstein:

If you could have any other job in the city, what would it be?

Dr. Steve Spinelli:

There is no question and I want to tell you, the job is open. So I take this as a bit of an interview. If you could send this interview to the... Well remember, well, I was a division three college football player, so I know everything about football. I would be a really, really excellent coach. I'm telling you, at the very least, we're going to get a lot of press if they hired me. They ought to give me a call.

Carolyn Jones:

I love it.

Jon Bernstein:

And what position did you play, Steve?

Dr. Steve Spinelli:

Believe it or not, I was a running back, but remember, it was my college football coach who really started Jiffy Lube. And his measure was how many people did you hit, how hard? He would literally measure the hits. He'd say, "You can gain yard here, but how tough are you?" And I rank pretty high. I wasn't all that good as the running back, but I hit people hard.

Jon Bernstein:

And finally, what's a wish you have for Boston?

Dr. Steve Spinelli:

Well, to fulfill its potential. I think that I can get terribly maudlin about this kind of stuff, but I do think that amidst all the junk that's going on, all the angst that fills the community, Boston is in a unique position to sort of elevate. When I talk about the colleges and universities and the learning, when I talk about the technology and the innovation of this region. What does the world need? Well, we got it right here, but I think we have a bigger responsibility. Let's go get them.

Jon Bernstein:

And that wraps up another episode. Thank you so much for joining us, Steve, and for sharing your insights.

Dr. Steve Spinelli:

Your energy, your enthusiasm, your intent, your warmth, your knowledge, this was as fun a time as I've had in an interview maybe ever. I think Boston is well served by this group, and I am so pleased to be a part of it. Thank you.

Jon Bernstein:

Well, we're thrilled you shared such great insights. I'm Jon Bernstein.

Carolyn Jones:

I'm Carolyn Jones, and this is PNC C-Speak, the language of executives. Our guest today was Dr. Steve Spinelli, the president of Babson College.



This transcript was exported on Apr 12, 2024 - view latest version [here](#).

Jon Bernstein:

You can find PNC C-Speak at [Bizjournals.com/Boston](https://bizjournals.com/Boston), or on any of your favorite podcast platforms. Until next time.