

**SPEECH DELIVERED BY STANLEY M. BERGMAN
GREY FOUNDATION MEMORIAL LECTURE, MAY 11, 2018**

Thank you for that kind introduction. Thank you to Grey's Rector, Christian Erasmus; the students of Grey High School; and The Grey Foundation for this humbling opportunity to return to this beautiful campus where so many memories were made. It is a great honor to deliver the Grey Foundation Memorial Lecture for 2018.

I have recently become aware of and salute the terrific work of David Hurr of the Grey Union administration, and of President Bryan Knox and the leadership of the Grey Foundation, which plays a central role in preserving Grey's status as a center of educational and developmental excellence; and in providing scholarship opportunities to those who are deserving or in need.

I am so appreciative of Grey, which set me on the path that led me to lead a Fortune 200 company. And my brother Leslie, who matriculated six years before me, also benefitted significantly from his Grey education throughout his successful career

Today I would like to begin with a scan of the important global business trends we are seeing from Henry Schein's vantage point. Then I will conclude by briefly sharing my top 11 life lessons that I have learned along the way from Grey to the Fortune 500, many of which took place while I attended Gray school. These are the same lessons that I shared earlier this morning with the Grey scholars.

Let's begin by setting the stage. Remember 20 years ago? Tweeting was done by birds and now it's creating fake news.

As Professor Klaus Schwab, founder and chairman of the World Economic Forum, wrote in his book, "The Fourth Industrial Revolution," new ideas have changed our world through a series of industrial revolutions. The 1st Industrial Revolution was mechanized power in the 18th century. The 2nd Industrial Revolution was mass production and communication in the 19th-20th century. The 3rd Industrial Revolution was computerization and digitalization over the last 50 years, increasing access to technology each year.

The 4th Industrial Revolution was ignited by Steve Jobs when he unveiled the iPhone in 2007. To quote Steve Jobs, "Every once in a while, a revolutionary product comes along that changes everything." Apple connected the cell phone to the computer, and this connection gave birth to interoperability, transforming our world.

Interoperability, the fusion of technologies, has created entirely new industries and redefined the skills required to succeed in business and in life. Devices are communicating with us and with each other, and causing profound digital disruption, which has implications for literally everything. We are experiencing unprecedented change and entering uncharted waters on a daily basis, with profound societal,

economic and political disruption. The 4th Industrial Revolution represents a fundamental change in the way we live, work, and relate to one another. It is unlike anything mankind has experienced before. During the past century, economies have moved from land-based, to capital-based, to machine-based. Now it is talent and AI and data-based. Whoever dominates data, dominates the world.

In addition to technology changes, we have seen many other global market trends that are affecting our company, as well as many other companies around the world. There is sluggish global economic growth, although CEOs are confident about business growth. There is the consolidation of entities and industries. There are new business models, such as Uber, Alibaba, Facebook and Airbnb. There is a rise in consumerism, and the emergence of non-traditional competitors. There is increased margin pressure and transparent pricing, and almost every company has an aggressive cost take-out strategy. There is a widespread absence of trust and concern with privacy. Cyber security has become a global concern. And although not directly related, environmental challenges and the risk of pandemics must also figure high on the list of concerns for business leaders.

It has been said that we will see the equivalent of 20,000 years of progress in the 21st century. We all need to move faster. In the future, businesses will need to become even more agile. This means not simply doing our respective jobs faster, but collaborating faster, forging relationships faster, and adopting new technologies faster. Customers around the world are demanding more speed, interoperability, and everything on demand.

I am optimistic about the future. Optimistic about the benefits of technology, such as longer life expectancy, higher quality of life, more efficiency and productivity. Optimistic about demographic trends, with a growing middle class in emerging economies. Optimistic about the roles of women, with increasing gender equality in many countries and more balanced gender representation in many professions, such as health care. Optimistic about the potential of Millennials. With their life-long immersion in technology and their insistence on doing the “right” thing and doing it better, they have the potential to exceed the contributions of earlier generations. It is into this world that Grey will have to educate the students of today, enabling them to navigate these uncharted waters.

Professor Klaus Schwab raised the alarm bells when he cautioned, “We must ensure the 4th Industrial Revolution unfolds with humanity at its center, not technology.” While we can’t slow down technology, we can certainly do a much better job distributing the benefits of technological change more equitably. Businesses need a soul, and brands need purpose.

Now let’s move to the 11 life lessons, with the 11th being the most important, which I shared earlier with the Grey scholars, and which I believe are valuable regardless of one’s age or career status.

I learned my first business lesson at the time I entered Sub A at age 6, which by the way was the year Grey celebrated its centennial. I did not understand what centennial meant, but I do remember to this day the special candy that was given to the students. I contracted jaundice and whooping cough in Sub A, was frail, and was kept out of school for a year. One of my father's friends who imported portable transistor radios felt sorry for me, and he let me carry one of his radios around at my father's bowling games. At the game, another bowler asked me where he could buy a radio like that. My father's friend told me that if I could sell the portable radio to the bowler, I would be paid a commission. As a six-year-old, I did not know what it meant to be paid a commission, but I connected the buyer to the seller and received a check. I did not understand what a check was, but I learned quickly. This set me down a life-long entrepreneurial road and taught me a simple but critical lesson: Showing up is important. I could easily sell the radio, but I had to show up – I had to be there with the radio.

My next lesson came three years later. As a young boy with bad asthma, I was sent to a farm near Cradock in the Karoo. I spent a great deal of time with the farm workers, who lived in abject poverty in a repressive, apartheid South Africa. But they were bound tightly together by family values and trusted friendship among co-workers. Spending so much time with these remarkable people who lived a life of virtual serfdom reinforced the importance of family and trusted friends to succeed, even in difficult circumstances.

On the farm in Cradock, I also learned how to be persuasive and to persevere. My mission was to convince the farm workers that a nine-year-old boy should be allowed to gallop on horses and drive a tractor. These childhood desires forced me to learn a lot about persuasion and perseverance. Ultimately, I "made the sale" and got to ride the horses fast and drive the tractor, but of course, my parents never found out. Getting things done requires embracing change, and like so many others I have been motivated by the lessons learned from one of history's greatest leaders, President Nelson Mandela, who, when faced with daunting challenges said, "It always seems impossible until it's done."

My next lesson came when I was 12. The German honorary consul in Port Elizabeth, Mr. Bülbring, learned of my interest in stamp collecting. I accompanied Mr. Bülbring to meetings of the Port Elizabeth Philatelic Society, and then began to write to postmasters around the British Commonwealth to buy new issue stamps for resale. Soon several Philatelic Society members were my clients, and I partnered with an older Grey high school student to found PE Stamps. We did quite well selling new issue stamps from countries throughout the British Commonwealth. That was where I gained a lifelong interest in international business and realized that even a simple transaction can give life to global commerce. I encourage everyone to think global. It's not that difficult but critical for success in the 21st century. Global commerce will be more and more important and can help set a business apart.

At 16, I helped organize summer camps for a youth movement in Port Elizabeth, which focused on taking small steps by young people to improve our world. This experience taught me to treat people how you want to be treated, to always look for the good in

people and to be optimistic. A key lesson is that a summer camp counselor should engage everyone. Even today as a CEO, I still strive to apply the lessons I learned as a camp counselor: there is a role for each individual, every person can make a difference, and engage everyone in the mission.

My wife Marion and I graduated from the University of the Witwatersrand in Johannesburg, Marion as a medical doctor. It was there that I gained the educational requirements that enabled me to become a South Africa Chartered Accountant. We then left South Africa bound for New York, the world's cultural melting pot. I joined an accounting firm in New York, and then moved to the systems consulting arm of the firm. After four years, I was invited by Jay Schein, Henry's son, to become part of their family's business as Henry Schein's first CFO. Jay Schein believed in giving young enthusiastic managers a chance and was a great mentor. But he was more than a mentor; he was my sponsor. He instilled confidence in me and with his tragic and untimely death nine years later, entrusted his family company's continued growth to me at a rather young age.

In addition to Jay, I met so many great mentors along the way who have helped me. There was Professor Edward B. Shils, who pioneered the field of entrepreneurial studies at the University of Pennsylvania's Wharton School of Business. He was the first academic to write about "intrapreneurship," which is entrepreneurship within a large organization. He helped us be comfortable while working through ambiguity, recognizing that decisions are not always black or white, but more often gray. And, of course, there are my colleagues at Henry Schein, who continue to inspire me every day with their fresh perspectives. There is our conservative CFO, who has never seen a deal that he likes, and our exuberant Chief Strategic Officer, who has never seen a deal that he does not like. Together they provide a clear view of the left and the right. There is our company's Vice Chairman, who helps us focus on our priorities by reminding us that "we can do anything, but we can't do everything." There is our Chief Administrative Officer, who heads up human resources and drives our company's value-based culture of caring about others.

So, I have learned an important lesson along the way: We all need mentors, and we all need to be a mentor to others. I encourage you to seek out mentors, because the wonderful mentors in my life have made all the difference, and to give back by being a mentor to others.

My cumulative life experiences have taught me that one must "think big" and never accept no as an answer. "Thinking small" will keep you safe, but stationary. However, if you "think big," you stand a good chance of reaching your goal. Life owes us nothing, and we should expect to encounter many roadblocks. But don't be discouraged. Overcoming fear, obstacles and rejection makes us stronger, and is critical to our being successful and achieving our goals. We should recognize the truth of one of President Nelson Mandela's leadership lessons: "Courage is not the absence of fear, but the triumph over it." Remember, if it was easy it wouldn't be called work. I constantly remind myself of what Robert Kennedy said: "Some men see things as they are and

say ‘Why?’ I dream things that never were and say, ‘Why not?’” I have come to realize that “Why not?” is the most important question to continually ask yourself throughout your life. And it is always okay to question anyone, but always in a respectful way.

My brother Leslie and I learned a childhood lesson from our parents that helped us understand that as business leaders we have an obligation to contribute to the greater good of society. This is a philosophy that is promoted through the Grey Foundation. I am a firm believer that the best way to do well in business is to do good. As business leaders, we have a moral obligation to act in the service of society. However, it also makes good business sense to give back to society. As Benjamin Franklin’s idea of enlightened self-interest illustrates, choosing activities that are good for society and good for business. Businesses, educational institutions and communities thrive in successful societies. Business needs to be in the service of society. Doing well by doing good really works.

My next lesson is that there are caring people out there – seek them out. I had, and still have, terrible handwriting. One of my important early mentors was our geography teacher here at Grey, Mr. Earl, who literally taught me how to write in my last year as a Grey high school student. Another was law Professor Ellison Kahn at Wits, who felt that I was a good legal student, but saw that I had poor handwriting. Professor Khan allowed me to transcribe my Commercial Law 2 final exam because he could not read my handwriting. Without Mr. Earl and Professor Khan, I probably would have taken a very different path.

The truth is that the lessons I learned outside of school early in my life often were more valuable than those I learned in the classroom. But without the classroom foundation, I would not have been able to absorb lessons that I learned outside of the classroom. I was not a particularly good student during my time at Grey. I did not do well in mathematics, chemistry or physics. I liked history, but could not easily memorize dates or Churchillian quotes. History today teaches us to think and understand people, but this was not the kind of history taught in apartheid South Africa. History then was taught more by memorizing certain facts and less about thinking of social context. Outside of the classroom at Grey, I showed no interest in cricket or rugby. I was the goalie on the third hockey team. In fact, my counselor here at Grey suggested at one point that my path may not lead to a university at all. By the way, often our worst failures are our best lessons, and lay the foundation for success. What I realized years later is that while formal education is a critical ingredient for success, it is on the playing field of life where we learn so much about how to apply the lessons that we learned in school and “get things done.” Every encounter in life is a lesson, and it is okay to question authority, as long as it is done in a polite way.

My final and most important lesson is that it’s all about people. In the late 1960s, South End was still one of the few remaining racially mixed areas in apartheid South Africa. Then the apartheid government dismantled the vibrant harmony of our South End community. Neighbors were forced apart, and my parents, friends, and hundreds of small business owners had to relocate to segregated neighborhoods. Of the many

lessons I learned at Eric Stores, one stands out – the richness of diversity. One’s life is made richer by spending time with people of different backgrounds. In fact, the organizations at the start of the 21st century do not need “bosses.” Organizations need leaders who will be coaches, facilitators and mentors – leaders who will support their people and their ideas. In my parents’ small department store, Eric Stores, in the South End neighborhood of Port Elizabeth, I learned one of my life’s most important lessons: it’s all about people and trust and embrace diversity. The bottom line is that trust is at the foundation of leadership. We should strive to be trusted and authentic.

Thankfully, I received a great education at Grey, both inside and outside of the classroom, positioning me to lead on the field of life. Remember, “Team work makes the dream work.” I have been inspired since I first read the words of Robert Frost: “Two roads diverged in a wood and I took the one less traveled by, and that has made all the difference.” We should all remember that nothing is impossible, especially for those of us in the Grey community who embrace “Why not?” And without a doubt, our best years are yet to come. Thank you.