

General Electric CEO Calls For More Innovation

Scott Bauer, Associated Press

MADISON, Wis. (AP) — The United States needs more startup companies and innovation to compete with the rest of the world, General Electric Co. chairman and CEO Jeff Immelt told the University of Wisconsin Board of Regents on Friday.

Immelt, who has helped reshape GE to focus on its more traditional operations, said in order to more rapidly grow the country's economy the U.S. needs more risk capital to help fuel startups, less government regulation, a greater emphasis on research and development and more cooperation with higher education.

"The country only has one problem. We're not growing fast enough," he said in a nearly hour-long address before the UW regents. "Everybody in the world's moving fast and if we're not moving fast, we're going to fall behind." New companies fuel job growth and that's why they need to be nurtured, he said.

Immelt, the chairman and CEO of GE since 2001, told the UW regents that it's time to rethink what a college education means.

"Instead of thinking about a four-year school think about a six-year school where you're going to spend two broad periods working," said Immelt, who also is a member of the Dartmouth College Board of Trustees.

While the U.S. graduates about 135,000 engineers annually now, Immelt said there is a capacity to employ 500,000. He urged universities like Wisconsin to find specific growth areas where it can focus and become a national cluster for innovation and development.

He cited Wisconsin's emphasis on health care startup companies. About 6,500 people work for GE Healthcare in southeastern Wisconsin.

Worldwide GE employs about 50,000 engineers and about 40,000 sales people, and sells its products in 160 countries, Immelt said.

"In order for us to be successful we have to win in every corner of the world," Immelt said.

Last year, GE posted net income of \$13.6 billion. Under Immelt's leadership the company has sold non-industrial assets like NBC Universal and focused on its more traditional operations like making complex industrial equipment and providing services to companies.

Immelt said he was committed to running GE with fewer layers, simpler accountability and a cleaner decision-making structure.

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"I want to run GE more like a startup," he said. "I want to run GE more like a fast company, but not giving up any of the efficiencies I have of scale."

Immelt had breakfast with Gov. Scott Walker and UW regents prior to the meeting. As he began to address the regents his comments were briefly interrupted by two protesters who were escorted from the room by police. They were both later cited for disorderly conduct.

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