

# SEEDING THE FUTURE

AN INTERVIEW WITH FORMER  
MONSANTO CEO ROBERT SHAPIRO



Robert Shapiro

A visionary in the area of biotechnology, especially its application to agriculture, Robert (Bob) Shapiro led Monsanto as CEO through its transformation from chemical company to a leading force in agricultural biotechnology. That journey placed Monsanto — and Shapiro — front and center in a very public and heated debate about genetically modified seeds. At one point, the company was so unpopular in the U.K., one British Parliament member declared Shapiro “Public Enemy Number One.” He made news, too, for his management style, which included banning some traditional executive perks and overhauling Monsanto’s management structure to create co-executive positions for many of the top management jobs.

A decade after leaving Monsanto, Shapiro is co-founder and managing partner of Sandbox Industries, a hybrid venture capital firm investing in life sciences, information technology and consumer products. Spencer Stuart consultant Patrick Walsh recently spoke with Shapiro about those turbulent early days of agricultural biotechnology, what he’s doing today and the future of the agriculture industry.

**“Public Enemy Number One.” Not too many CEOs find themselves facing that kind of criticism. Were you surprised at the backlash?**

**Bob Shapiro:** There were some aspects that were a surprise and some that weren't particularly surprising. There's a border somewhere between courage and naïveté that I think I probably was wandering through.

**Describe the atmosphere at the time.**

The science behind the products was very strong. Still, all kinds of concerns and worries were raised, including that if you force-fed genetically modified corn to monarch butterflies, it might not be good for them. All these kinds of issues kept being raised, and we would get media attention, and then it would go away because there wasn't anything there.

The conclusion we came to was that anybody who yells “danger” will get a lot more media attention than somebody who yells “safety.” Safety is just not a story; it's an assumption. Danger is a story, and it doesn't really matter if there's any substance to it. We did a lot of careful monitoring of public opinion during this period, and we found that very few of these “danger” stories seemed to change how anybody felt. We also found that when folks continue to yell “danger,” there's a point where it becomes an old story and they don't get media attention until they come up with some new “danger.” Our view all along was that the science supported our story, and in the long term that's how it played out.

We tried several different approaches to communications, and the conclusion we came to had two important pieces to it: No. 1, we were unlikely to change the minds of the people who were really upset about this; and No. 2, from a commercial

standpoint, it was not the most critical issue. The real question was whether this technology was going to be accepted in North America and South America, where soybeans are grown.

There are no soybeans grown in Europe, so we had to consider how European opposition would affect American growers and how it would affect Asian and African countries that still had not figured out their regulatory policies on GMOs (genetically modified organisms). We spent several years trying to figure out the answers to those questions and dealing with intermittent but powerful efforts by some parts of European governments to affect both North American and South American planting decisions.

**Some people are philosophical about the firestorm that you're credited with creating as CEO and say it wouldn't have mattered if you had handled things differently.**

I don't know that answer to that. We don't get to play it over. In retrospect, I think we would have been better served to have started a public conversation, especially in the U.K. and Europe, about what we were attempting to do and at least go for transparency, even if transparency isn't persuasive in itself. I would have liked more conversation, more transparency and somewhat more humility.

Toward the end of that period, I gave a talk to Greenpeace and apologized for our posture — our absolute conviction that what we were doing was good for the world, good for the environment, good for farmers and good for consumers. That confidence in what we were doing got translated into a kind of arrogance that people perceived as being dismissive of different points of view.

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**Biotech is a relatively young industry and its impact will continue to play out for many years to come. Where do you see biotech headed?**

The technology is good technology, and it's been reviewed thoroughly. It's very useful. It's very valuable and, given the pressures on global agriculture, wider adoption has got to happen. Similarly, we'll also see a lot more progress on the human health side. The issues are a lot more complex than the early expectations, when people thought once we identified a specific gene, we'll find a cure. It's more complex than that and there are more exogenous factors than people realized at the time. Having said all that, it's really powerful technology that's going to continue to make a huge difference in people's health.

**What else do you see five, 10 years in the future?**

The global population has topped seven billion and continues to grow. That creates a whole set of issues about yield. We've always operated on the assumption that the amount of arable land is not only finite, but also largely in production already, and that everything else we do — such as cutting down rain forests and things like that — generally won't produce great quality land for agricultural purposes. Therefore, the key is to get more out of the land we've got.

While there are efforts to address the issue of turning lesser-quality land into highly productive land, I still believe if you try to feed the growing population and meet the growing protein demands with existing technology or, indeed, if you try to produce any of the standard-of-living kinds of goods for the two or three billion people who have recently come into the world economy with current technology, then it's over. It's unsustainable.

The only thing I know in my experience that has any promise at all of avoiding horrible outcomes is inventing better technologies, and the key piece of that drive is to create value. One of the things I'm doing now with Sandbox Industries is raising an ag fund to structure and address some of those issues and try and put together strategic investors.

**At one point during your tenure, the company turned its focus on building out a pharma business. What was behind that?**

A lot of what was happening at the time in genomics and in the necessary technology around it, especially bioinformatics, was very similar in pharma and ag. The sorts of discoveries that were being made and the process inventions that were taking place were identical, and that is still true, by the way. When you are dealing with the genomes of people, animals and plants, an awful lot of traits are conserved in that. Things that you discover in one area are relevant to the other, and so on. The notion was at the technology end, there might be some virtue in being in both those businesses. At the marketing end, there's no similarity at all. The idea was never to have a uniform product line that would be sold to patients and cows, but it did mean that at the back end there was some commonality and a certain mindset.

Remember, during that period, Monsanto was undergoing a major transition from a chemicals engineering mindset to a biology mindset. So, as much as anything, the focus on life sciences became a way of talking internally about a new culture that we were trying to establish that was inventive and creative rather than simply efficient. Everything had to change because we were going into invention mode, as opposed to pure execution mode, so life sciences became a way of talking about that change.

**Do you think being a CEO has changed much 10 years later?**

The role of the CEO hasn't changed in any major way. What's changed a lot are the expectations of what public company boards are supposed to do. From the standpoint of the regulators, the media and, I suppose, the public, the emphasis has shifted from helping the company succeed to making sure that the management doesn't do something bad. We all know the kinds of abuses that have led to that shift, but, for me, the policing role is a lot less fun than working with management to create value. It subtly changes the relationship between boards and management, especially the CEO, in ways that may not always be positive for shareholder interests.

My run as a CEO was during the decade when CEOs were kind of heroic figures. Jack Welch, I guess, was the leader of the pack, but in general, it was a good time. The essence of being a CEO is still the same, but the style of it and the rhetoric has changed.

On the other hand, it is a terrific time to be starting companies, and that's what we do: invest in young companies. That is still rewarded. It's still honored, and it's really fun. It's much more fun than running a mature company, let alone trying to revitalize a mature company.

**It's an interesting time.**

It is. These last few years have been terribly painful for a lot of people. But I think it's also a time of real opportunity. At Sandbox, we work with people who believe that now is a great time to start businesses. They know the risks, and they're convinced that the businesses they're starting are going to be great — and if they're not, they'll start another business. It's inspiring to work with them. I've always been an optimist and probably more so today than ever before.

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