

## Ann McLaughlin Korologos

**W**ith former Secretary of Labor **Ann McLaughlin Korologos**, it's hard to find a single reason she's considered a best of breed director.

It may be the wealth of labor relations knowledge that she brings to the Board of **AMR** and its **American Airlines** subsidiary. Or her relentless questioning of marketing tactics and her ability to think outside the box at **Kellogg's**. Not to mention her ability to help **Microsoft**—at a critical regulatory juncture—cope with the inner workings of the nation's capital.

For all these reasons and more, **Don Carty**, AMR Chairman and CEO calls Korologos (formerly known in Washington circles as Ann McLaughlin), an "absolutely terrific director."

And there's no question that she gets a lot of practice. She's a familiar face around many boardroom tables. Seven to be exact. And at a time when many are questioning whether directors should limit the number of boards they're on, some may wonder if Korologos has stretched herself

too thin.

Not so, say her colleagues. Korologos, who is currently senior advisor to **Benedetto, Gartland & Co.**, a New York investment banking firm, is a creative, engaged director who draws from her experience with many different boards. Her other directorships include **Harman International Industries**, **Host Marriott** and **Vulcan Materials**.

Relatively few directors bring to a board such rich Washington experience and extensive contacts. When Microsoft first learned of the government lawsuit for their breach of monopoly regulations, the software giant was underprepared to deal with Washington. Korologos flew to Seattle to meet with Microsoft executives, including then CEO **Bill Gates**.

"She told the Microsoft team they had not been involved enough and needed more friends in Washington," says **Judith Richards Hope**, an experienced Washington attorney who's shared several board assignments with Korologos. "She helped to convince them to reassess and adjust their Washington strategy."

Korologos, who spent three years as the Treasury Department's assistant secretary for public affairs, also helped Microsoft sharpen its Washington presentation skills, says Hope. As a result the company is putting its best face forward in the D.C. arena. "Microsoft is giving more money and has become more adept at lobbying and other efforts," Hope explains.

During the long-running government lawsuit, both Microsoft and its competitors have worked to sway lawmakers and public opinion. "Korologos knows lobbyists and she understands how political power works. That's very important to a regulated industry. Especially one that's being



### BORN

November 16, 1941; New Jersey.

### EDUCATION

Marymount College, Tarrytown, NY; studied at the University of London and the University of Pennsylvania's Wharton School.

### CAREER HISTORY

Senior advisor to investment bank Benedetto, Gartland & Co.; Former U.S. Secretary of Labor.

### FAMILY

Husband, Tom C. Korologos, 3 stepchildren, 4 grandchildren.

### HOME

Washington, D.C. and Basalt, CO.

### FAVORITE MOVIE

*The Cup*; *Singing in the Rain*.

### FAVORITE BOOK

*If You Want To Write*, Brenda Ueland; *Gift from the Sea*, Anne Morrow Lindbergh; *The Killer Angels*, Michael Shaara.

### FAVORITE MUSIC

Cole Porter; Mozart; Triumphant March from *Aida*.

### FAVORITE RESTAURANT

Woody Creek Tavern; CO.

### I DON'T LEAVE HOME WITHOUT...

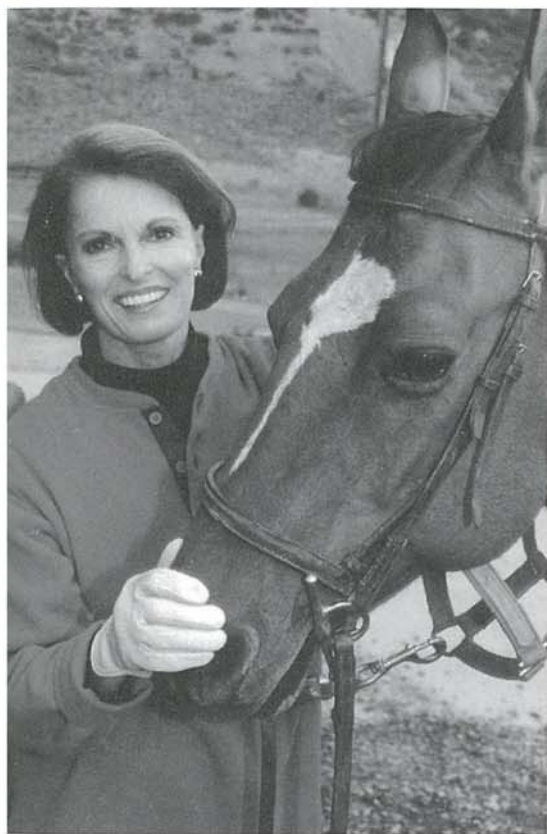
Ms. Oatsie McCain.

### CURRENT BOARDS

AMR Corporation; Fannie Mae; Harman International; Host Marriott; Kellogg Company; Microsoft; Vulcan Materials.

sued,” says Hope. Because of her outstanding efforts, Microsoft named Korologos to their board in January 2000.

Regulatory affairs are not Korologos’ only strong suit. Not surprisingly, the former labor secretary’s (1987–1989) labor relations expertise is also an invaluable board asset. AMR’s Carty notes that virtually all of AMR’s business, from its international rooting to its fuel costs, is driven by federal



*Ann with her horse, Brandy, at her Sopris Mountain Ranch home in Besalt, CO.*

agencies. “Ann’s Washington contacts are helpful to our day-to-day business.”

Korologos is not only involved at the policy level—Carty says she also has a great sense of managing more grassroots union relationships. This is a

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—Gordon Gund, Director, Kellogg’s

constant subject at AMR’s board discussions.

Her bounty of government and business experience includes serving as president of the federal city council in Washington D.C. from 1990 to 1995. The non-profit organization, comprised of 150 top business and civic leaders is dedicated to improving the capitol city.

Despite her extensive Washington background, some are quick to point out that Korologos should not be pigeon-holed by her government expertise. She’s known as a curious student and proponent of the latest marketing techniques. Her service at Kellogg’s is a case in point. “She has a constant focus on marketing and how consumers are thinking,” says **Gordon Gund**, a longtime Kellogg’s board member. “She thinks hard about how an old-line cereal company can break out and move ahead in today’s markets. She’s always testing whether what worked in the past is the best way,” he attests.

Korologos plays an important role in keeping Kellogg’s concentrated on areas such as Internet marketing and direct sales. “We were seeing heavy use of the Internet in other sectors such as autos,” she says. “I think I’ve been very vocal in this area.”

Indeed, marketing has become so important at Kellogg’s that a few years ago it instituted a Marketing Committee, a rarity among the na-

tion’s boards. “It is testimony to the fact that marketing is a very big part of the company. And not just in terms of repositioning a product, such as buy one, get one free,” says Korologos.

Aside from sharpening its marketing techniques, Kellogg’s has been working on creating more types of foods that appeal to shifting consumer desires. Korologos has helped steer the company toward products that are more appealing to women. “I’ve also been active in the trend toward more healthy foods, including sugar reduction.”

Gund says Korologos also played a pivotal role in identifying CEO **Carlos Gutierrez** in 1998 when Gund was leading the full board’s search effort. The succession issue was complex because the company was undergoing some major changes. Kellogg’s had previously focused mainly on market share or volume, and they were shifting to a more value-oriented approach, says Gund.

Kellogg’s board knew that it needed new leadership and Korologos helped the company weather the storm. “The board never would have come together as a team, with their full involvement in the hiring process” without Korologos, he says. “She devoted tremendous energy and time. She was very vocal about a process the board should follow, and helped insure that it was followed. It was way beyond the call of duty.”