

On Tax—Brett Cornell at Danaher Corporation

Len Teti: Welcome to On Tax—A Cravath Podcast. I'm Len Teti, a partner in the Tax Department of Cravath, Swaine & Moore, a premier U.S. law firm based in New York City.

On each episode of On Tax, I talk to professionals in the Cravath network about their life and work in the world of tax. We focus on the human side of tax law, highlighting the people, connections and stories that make the space such a fascinating and dynamic area of practice. I hope you enjoy this episode.

Today, we're joined by Brett Cornell. Brett is the Senior Vice President of Tax, Treasury & Finance at Danaher Corporation. Brett, welcome to the podcast, and thanks for being here.

Brett Cornell: Thanks, Len.

Len: So, Brett, tell me where we have to go into your past to figure out how you got put on a path towards the tax law. One of the things I noted in preparing for this was that, like some of our other guests, you come to the tax law and the tax world from a financial accounting background. But you tell me, where do we start?

Brett: Yeah, it's a great question. So, my dad was actually a fighter pilot in the Air Force, but while he was in the Air Force he got his MBA, and after he was a pilot, he became a business guy in the insurance world. And so, I knew I wanted to go down a business path, and I also knew I wanted to go to Michigan State University, where my grandparents and my parents had gone. So, that was all pretty predetermined.

But I took an intro accounting course when I was a sophomore and instantly loved it. I knew from that point forward that I wanted to go down this route at least of accounting. And then I took a tax course and absolutely loved that as well and started my journey from there.

Len: Do you remember what it was about these courses that grabbed your attention? Was it conceptual? Was it numerical? What was it?

Brett: Yeah, it was all of that. I realized that accounting was very structured. I had really great professors, which was remarkable. And I just really gravitated towards this kind of combination of the theoretical accounting, but also the numerical parts of it. I think through numbers and really loved that part.

And then when I took my first tax course, realized that tax is really just turbocharged accounting. I thought it was great. Really enjoyed it right from the start.

Len: So, when you discover this as an undergraduate and you want to lean into this as a way to prepare for your career, what are the sorts of things that you're doing to load up in this area?

Brett: It was interesting because Michigan State had a program at the time called Program in Professional Accounting. It's a five-year program. Once you got into the program, which was as a junior, you then chose your specialty path, whether it was audit or tax or some other part of accounting. And then at the end of the five years, I got an undergrad degree in accounting, but then I got an MBA with a tax emphasis.

So, after I'd taken one or two tax courses, I realized that was the route I wanted to go. This program afforded me the opportunity to get the specialty in that area, and that was it. So, I took a number of tax classes, even though the end result was to get an MBA.

Len: So, I imagine then that if Michigan State's got a program like that for the undergraduates, I assume there's some sort of career counseling or placement or a program that they are going to put their graduates in. How did that work for you? What was your job search like coming out of school?

Brett: It was interesting because it was mostly Big Four at the time. If you wanted to be a CPA, there wasn't a corporate path for that. So, Big Four was really the only legitimate path for somebody like me.

And I was fortunate—I had interviews with all the Big Four. I decided to start my career at Pricewaterhouse because they gave me an opportunity to start directly in the Tax Department, and that was in Detroit. So, started my career there and never really had to spend much time other than in tax.

Len: I always like to sort of paint the picture of what this is. So, I'm assuming from what you've told me so far that you grew up in Michigan—is that right?

Brett: Yeah, after my dad got out of the Air Force, grew up on a farm in really small-town Michigan, Hartland, Michigan, an old family farm that my cousins were the farmers and still are today. But me and my family lived in the farmhouse that my great-grandparents had built and I worked on the farm until I was 15, 16 years old, making \$10 a week.

Len: What are they farming?

Brett: They farm corn and soybeans, oats, wheat.

Len: Amazing.

Brett: Yeah, Michigan's a very fertile ground.

Len: So, here's the sort of picture that I'm forming. We've got a guy from Michigan who always knew he wanted to go to Michigan State. You went to Michigan State, you did this awesome five-year program. And now at, I'm guessing, 22 or 23 years old, you're going to put a briefcase under your arm or a backpack or something. You're going to put on maybe a shirt and tie and you're going to show up in downtown Detroit at Pricewaterhouse and you're going to go to work.

What was that like?

Brett: After I worked on the farm and realized I had to actually make some real money, I went to work at a local hardware store lumberyard and worked there all the way through college. I did not have an internship—that was not really a big thing back then like it is today.

So, literally, on a Sunday, I was working at the hardware store lumberyard, wearing jeans and a T-shirt, and Monday morning, suit and tie at the Renaissance Center in Detroit, Michigan, and I was a fish out of water.

Len: How did you make it work?

Brett: I was lucky, Len. I had a really, really strong work ethic from working on the farm, from growing up in a military family. And so, I just always worked really hard and loved working. And I realized right away that those same skills apply whether you're in a business office setting or working on a farm or anywhere else.

And I just knew that I was going to work crazy hard, do literally whatever they asked me to do. And I got really good managers right out of the gate.

Len: So, after your first couple of years at PwC, how did you think about growth? How did you think about what your next steps would be? I mean, I think there's certainly a path in a professional services firm where you're looking at the promotions and the tiers and you can grow up within that firm and stay there forever, but there's also a lot of options, too.

So, I wonder, what kind of advice did you get, and how did you perceive what your strengths were that would attract you toward certain paths?

Brett: Yeah, I absolutely loved the firm. I loved every aspect of it and was doing very well other than the ability to manage work and life balance. Back then and probably still today, you're at the whim of every partner, every manager, every person above you, which is almost everybody.

And you're off doing a million different things and you're traveling. And I had young children at the time. I had two young kids when I was, I think, a second-year staff person. And my ability to manage that was really, really challenging.

And so, I was in a tough spot because I loved it, loved the work, envisioned myself to be a partner someday and felt like I was on that path. I made manager in four years, which was unheard of at the time, and just that ability to manage was really, really tough.

Len: Look, I want to stop here because I had young kids when I was a junior associate, too. So, I feel acutely these things that you feel, and I want to observe how important it is to take stock of those things and make an assessment.

I made an assessment that like, "Well, I kind of want to stay." You made an assessment that was sort of like, "This isn't really compatible with what I'm looking for," and you made a decision to go. I assume we're going to get there in a second.

But I think a lot of people—and this is what's really unfortunate—are people who end up maybe staying without really giving any thought to this. And then they wake up and they're 50 and they got everything they always wanted except they feel like they don't have any balance and their life's out of whack.

And so, I kind of want to credit you for pausing at that point in your life and observing that. Do you remember consciously thinking about it or what? Like, how did you work through that?

Brett: Yeah, it was a very conscious decision because I felt like I was at a crossroads where I really needed to decide, you know, "Are you going to go down a career-long, you know, accounting firm path or is it time to make a change?" I'd made manager after four years and it was really at that point that I decided, "OK, I need to make a hard decision."

I got a call from General Electric, and it was really early in my career, and I decided to go out there and talk to them about an opportunity to leave public and come to what was, at that time, probably what they used to call themselves, kind of the biggest tax law firm in the country.

They were willing to take a chance on me and I picked up the family, moved to Albany, New York, where their compliance and tax function was based, and started a new career there. But I'll tell you, that decision—and still I think that conversation that I had with Mark Mendola back then was probably the hardest career conversation I've had. He and I are still great friends today and we always talk about that conversation.

Len: Tell me about it, what was hard about it?

Brett: I just remember being a nervous wreck and we were driving out to a client and I was sweating and I said, "Mark, we need to stop and get something to eat." And he could tell something was wrong. And so, we go in and we're talking and I told him I had made a really, really tough choice—and the conversation was incredible.

He said, "You know, if I didn't feel like you were going to a good spot at a good time, I would tell you." He said, "But as hard as it is, I think based on where you're at in your personal life, it's the right thing to do." So, I made the decision and never looked back.

Len: That's great. And you mentioned GE being a place with a high level of professionalism in tax, and—tell me what that was like. I mean, you're really now going from a top outside firm to a really top shop in terms of the tax function inside. How did you feel about that move as you started?

Brett: It was really good. Again, I was super junior in my career and most people that were in the GE function had been at either a law firm or an accounting firm for at least 10 years, if not more. So, I was definitely the young guy on the block—but that didn't slow anything down, similar to what I was doing in public.

So, that's really where I expanded my experience from being mostly sort of compliance and accounting focused to more planning and M&A transactions, and things like that. And they were willing to take me under their wing and give me all those opportunities, which I'm very fortunate about.

Len: I wonder if you can talk a little bit about the similarities and the differences in kind of an external advisor/public accounting role, and then an internal role that's also starting to branch into, as you said, tax planning and M&A tax.

Brett: GE had a number of businesses at the time and I sort of viewed it very similar, to be honest. I viewed our operating companies to be my clients, only you don't have chargeable hours and you don't have other things. You can really roll up your sleeves in kind of an unlimited way without worrying about billing and all of those other things.

And so, it just allowed me to go kind of deeper in areas where, when I was in the client service world, I couldn't—because, one, I was more junior in my career and there wasn't enough time or money in the budget to do that. And at GE, I could go as deep and spend as much time or as little time as I wanted, but I always viewed those companies to be kind of our client.

Len: That makes sense to me. And one of the themes we've talked about on various podcast episodes is learning in this business that there's a lot of different clients, a lot of different people who consume your work, who use your advice for some purpose, and how you communicate with them and how you tailor that advice changes depending on who the client is. But the fundamental task is trying to get something out of your brain and into someone else's in a way that they can use it for their purpose.

So, it seems to me that if you were a pretty junior person at GE, growing quickly, learning all these sorts of new things, now you've got a career arc that's going to be in the private sector, probably, at these kinds of jobs. And then you just got to figure out how to move up in the world, how to choose new places to work or how to get mentors to give you advice about what to do next.

How does that story play out for you?

Brett: It was interesting, Len. I had this vision early on that I really wanted to be a global tax leader someday. I just really always admired that.

And pretty early on in my career, I decided: "OK, what boxes do I need to check in order to get to that spot someday?" And I started managing my career in that way, and I said, you know, "I'm going to stay at a place as long as I possibly can until I think I've learned as much as I can in that role. And when I need to check a box—a new box, because I'm ready for that—then I'm either going to do that at GE or I'm going to go do it somewhere else." And so, I was able to check a number of boxes at GE.

I went and spent two years working in the tax accounting area with one of the best accountants I've ever worked with. And I had two years of just really intense tax accounting training, which has served me incredibly well, especially in this role where, you know, that part of it can be very challenging and there is zero room for an error.

So, I liked that. I checked an M&A box. I did deals for a couple of years. I did a lot of tax planning. But the one box I hadn't yet checked at the end of my GE stint was I had not managed a lot of people.

So, a former GE person had recently left the company, and she went to Xerox, and she called me up and gave me an opportunity to come in and lead part of the team—the tax accounting team, and compliance, and a few other things.

And so, I started my journey towards becoming a people leader. And you go from doing to needing to rely on others to do the work and they're not going to do it the same way you do it. And that is a really tough transition. But I did it there and it was great.

Len: So, tell me how you get to Danaher. One of the things I think is interesting about your role now is, as I announced it, you're the Senior Vice President of Tax, Treasury & Finance. And dealing with tax directors, I've been—in my professional life—I've been aware that, increasingly, tax folks are also taking responsibility for treasury, sometimes insurance, and other kind of adjacent financial elements of a business.

Tell me how you developed your career into this particular position and how it materialized for you.

Brett: Yeah, great question. So, after I left Xerox, I followed another GE leader to Dell down in Austin, Texas, and furthered my leadership career and took on broader transactions and had more of a leadership role in planning and M&A, et cetera.

And I knew then even more than ever that I wanted to get to this tax leader role at a big multinational company someday. And now, it was more sooner than later. And so, this opportunity came up. My predecessor at Danaher was the sixth employee of the company back in the late '60s.

He was a Yale grad and just a brilliant tax lawyer and tax planner, but they were looking for the next-generation leader; somebody who valued the deep technical parts of tax but also loved leading people and those things.

And I think I'm an unusual tax leader in that regard, in that I like both equally well. I love the people side of my job but also love the technical aspects. And, long story short, Danaher gave me this opportunity to come be the company's second tax leader and it's the best career decision I ever made.

Danaher's one of the biggest, most dynamic companies that most people have never heard of. It's a big conglomerate—we buy and spin off companies.

I think in my nine years here, we've done over \$100 billion of acquisitions and we just completed our third spinoff. So, I have an amazing team that gets this done each and every day, and it's been a great road.

And so, early on, it was really just a tax-focused role. And then a couple of years ago, leadership knew that I wanted to branch out and do other things and gave me this opportunity to lead treasury. And that was sort of the first step.

And then our longtime chief accounting officer was moving towards retirement. And so, I started picking up a few pieces of his job, which included treasury and pensions, and then more recently, picking up our global facilities and leading that function. So, it's been incredible, but I was really only able to do that because my tax team is so incredibly strong.

Len: It strikes me that all this really links up with the very first job you had and with the work ethic that you really described, which is to say: You get to Danaher, you're a tax guy, your tax team's doing great stuff, but you're looking around to see how else you can pitch in, I think. You're looking around to see what else you can do to contribute.

I mean, that's the same thing that a day one PwC junior person does when they're in the office and they've got good work ethic and they're looking around to figure out like, "How can I help? What does the team need?" It seems to me that that's like the same thing. It's just at a different level, at a different point in your career—is that right?

Brett: I hadn't really thought of it that way, Len, but I think that's right. I think of myself really as a businessperson first, even though I'm a tax guy through and through. I look around at the business; I say, "Well, how can either I help or how can my team help make this piece of the business better?"

And whether it's something that's completely non-tax related or, "How do we make what you want to do—from a business standpoint—how do we make that more tax-efficient, rather than the other way around?"

Len: Got it. One of the things I try and teach very junior associates is: "Ask yourself: 'I haven't been assigned anything yet, but what would be useful? Does this team need a to-do list? Does this team need an agenda for tomorrow's call? Does this team need a picture? Does this team need a list of everybody's emails so that when you need to email group emails, you can send it out? What does this team need? How can I figure out what I can do to contribute?'"

And that's giving yourself assignments. It's giving yourself work. It's making yourself useful and indispensable. I think those are all things that very junior people can think about. So, let's go back to this facilities thing. What is that role?

Brett: So, we have a fairly small corporate facilities team.

We manage about 25 billion square feet of assets around the globe. I think we have over 2,000 assets, but we partner with our operating companies who run those assets and my team is great. And so, I've learned a lot about corporate construction and commercial real estate—way more than I ever thought possible.

And that really started with an extensive renovation of our office here in D.C. We did a \$25 million renovation here, year and a half ago, and I led that, and that was the entrée into commercial real estate. And I enjoyed it and kind of picked up on that and traveled around to various facilities we have around the globe and see how we can be more efficient, whether it's from an ESG perspective—how do we be more sustainable with our buildings? How do we transition them to be more energy-efficient or otherwise? Or, thinking about different locations to better run the business.

Len: It strikes me that this is just another good example of how a person who started out in the tax world with the right sort of instincts—a broader sense about how to be a useful professional—can end up doing all sorts of things that have nothing to do with tax, and doing them really efficiently and effectively.

I mean there's all sorts of examples of tax lawyers who lead organizations, or—like, Lloyd Blankfein at Goldman Sachs started out as a tax lawyer.

So, I mean, to me, the way to think about problems from a tax perspective, to break them down and to think about efficiencies and enhancements and communicating about them, I think ends up teaching young folks, young professionals, a lot of skills that can be broadly deployed. And I think what you're talking about here with the facilities aspect of Danaher is just another example of that.

Brett: It's interesting, too, though—even though you can branch out, there is almost always a tax angle on almost everything we do. When I go into a new facility, if it's in Michigan, if it's in Sweden or anywhere else around the globe, there's always a tax angle.

Whether it's an incentive that you might be able to negotiate if you're building a new facility, or if you're moving, maybe you run into a tax risk that needs to be addressed. So, I've found it very fascinating, the link between tax and almost every other function. And I've been lucky to have those intersections come my way.

Len: So, before we ask you about what you do in your spare time, let me ask you a question that I've asked a lot of my guests. And that is: What do you think the best tax advisors do well? What are the common characteristics about tax folks that make them effective?

Brett: It's such a great question because we work with every law firm and every accounting firm. And I often ask myself that question: What makes somebody better than somebody else? And I think it comes down to a lot of what we've been talking about.

Can somebody think like a businessperson, or do they just want to give you the textbook technical tax answer that doesn't have any holes in it? Or are they willing to think outside the box and say, "Well, the technical rule is this, but if we structure it in this way or if we do X, Y and Z, then we can take an acceptable level of risk and we can still do the transaction, and accomplish what we're trying to accomplish here."

And those, to me, are the best advisors, right, that will really help you think through different options with different levels of risk. And at the end of the day, right, I have to make a decision, but I like to know: What are the bookends on risk? What are the bookends on opportunity, on benefits of a transaction, et cetera? And I think the best advisors help you think through that optionality, and also think as a businessperson first rather than a tax lawyer or tax accountant.

Len: Really interesting response. Many people have focused, when I ask this question, on the communication aspect, which is important—you have to be able to communicate a technical thing well. But I think that's output. Very few people in answering this question have focused on the sort of process in a tax advisor's mind and the input, what's going in.

If a tax person thinks about a problem only as a tax problem, then I think you're very likely to get an answer that's very narrow, right, that's a tax answer. As opposed to, this is a business problem—it's got a tax aspect to it; maybe the tax aspect is the core of it, right, but maybe not.

And so, then the tax advisor needs to understand, "Well, what is the business issue? How do the businesspeople feel about this? Is there a regulatory issue? Are we in a jurisdiction where we're going to have trouble dealing with the government?" There's all these sorts of elements that go into an analysis before you even think about how to communicate sort of what the output is. I think that's a very interesting take on it.

Brett: Yeah, and your communication point is really important, too. And one thing I've always sort of prided myself in is this ability to take a lot of different perspectives and a lot of deep technical issues and boil them down in a way that my non-tax leaders can understand, or the audit committee or whoever it is that I'm meeting with.

And not all tax people can do that. As a tax leader of a big global company, I think probably the number one skill is to be able to boil everything down, explain it in as simple of terms as possible.

Len: I think it's an easy way to get noticed because so many people will have lots of experience with tax people that confuses them or isn't clear, or, you know—so that when somebody comes and says something and you get it, right, there's a sense of, "Wow, thank you. I can deal with that. I can take that back to my boss or my team and I can figure out what we want to do."

When I interview students for law jobs—this is revealing some of my secrets here—one of the things I like to ask them about is a big project they did as an undergraduate, like a senior thesis or something like that. A lot of times you'll see on the resume what the title of the senior thesis is and it's really detailed and it seems super intricate and you know this person is probably one of the world's experts on that topic. It's really useful to ask people about a project like that.

Just like, "Tell me in a couple sentences, what was that about? What conclusions did you draw?" Because if somebody can do that and relate something that esoteric and sort of specialized to you across your desk when you're interviewing them, that's really a good insight into whether they'll be able to do the same thing when you teach them and they learn these complicated tax things in the early part of their career.

Brett: Absolutely. One story really resonates with me, and this is when I first started at Danaher and took over this role and I was meeting with the audit committee and explaining some transaction that we were working on. And one of the committee members after the meeting, he called me aside and he said, "Brett," he said, "No disrespect to tax people, but most of the time when I talk to tax people, I feel like I understood more before I talked to them than I did after."

He was kind of half-joking, but mostly not. I mean it is a tough area, right? And most people, they don't like it. They don't understand it. It's highly respected, right? I mean, it's probably one of the most highly respected functions at any company, but it's not an area that leaders and CFOs and CEOs wake up every day thinking about.

Len: Well, one of the worst things you can do is make somebody feel stupid or dumb, like they're not tracking. It's a bad feeling, but we've all been made to feel that way. And when a tax person or any kind of advisor makes somebody feel that way, it's hazardous because that person you're talking to is not going to feel inclined to call you next month when they have a problem.

So, the real skill is to make sure you are meeting people where they are, making sure they're able to take away what's important. And if they feel comfortable, safe, dealing with you, then you've got a client for a long time. And that's the way I sort of think about the world.

Brett: I think that's an excellent way to put it. And I think it's really on the tax person to make sure that the recipient of the conversation really does understand what you need them to understand. You don't need to wow them with all of your crazy technical skills—they already know you have that. But if they walk away with the answer that they need and the answer you need them to need, then it's a huge success.

Len: That's right.

Brett, you mentioned your dad—I want to ask you a question about this. You and I just met a week or so ago, actually. And the person who connected us had told me that you recently lost your dad and I know that was difficult for you. But tell me a little bit about his role as a mentor and as a leader in your life.

Brett: Yeah, my dad was a mentor really from day one. We had a lot of things in common. We did woodworking together when I was a young kid while he was in the Air Force. And then when he got out of the Air Force, he became a business guy and retired as CFO of an insurance company and stayed on the board until he was 70 years old, and literally was my biggest mentor.

Almost on a daily basis, whether it was a career decision I needed to make or a difficult person I was dealing with, or situation, he was just always there to give me really great advice. I used it all the time, really throughout my career. And to be honest, I mean, it's probably the biggest void right now, having recently lost him, is not having that ability to have his advice.

Len: I'm sure that's tough, but that was an amazing tribute.

So, Brett, in the few minutes we have left, we like to talk to all our guests about what they do in their spare time. So, when you're not doing tax and all these other things for Danaher, how do you like to spend your time?

Brett: I like to golf, first and foremost. Golf is an extremely challenging sport, as you know, but it gets you outside in very beautiful places. I am a lefty through and through, which makes golf even more challenging, but absolutely love it. I started playing in a meaningful way when I lived in Austin, working at Dell. So I was 40ish years old, so I've been playing for less than 15 years here.

Len: You did not grow up playing?

Brett: I did not grow up playing. I grew up playing tennis, skiing and other things, but picked up golf and absolutely love it. My kids play, lots of friends play. It's become a really, really great outlet for what is otherwise a pretty stressful job. So, we go out and do something that's fun, that's also stressful.

Len: Well, as we record this, I'm looking at snow outside, but I will be turning my thoughts from skiing to golf pretty soon and at that point, you and I will have to get out for a round.

Brett: Absolutely.

Len: Our guest today has been Brett Cornell. Brett's the Senior Vice President of Tax, Treasury & Finance at Danaher. Brett, it's been a real pleasure to talk to you. Thanks for joining us and giving us your thoughts.

Brett: I really appreciate the time. Thanks, Len.

Len: That's all for this episode of On Tax—A Cravath Podcast. You can find us online at cravath.com/podcast. And don't forget to subscribe on Apple Podcasts or Spotify.

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