



# Jack Welch, former GE CEO, is dead

By [Chris Isidore](#), [CNN Business](#)

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**New York (CNN Business)** — Jack Welch, who led General Electric through 20 years of its greatest financial success, has died. He was 84.

Welch became CEO of GE in 1981 and led it until his retirement in 2001.

"Today is a sad day for the entire GE family," GE CEO Larry Culp said in a statement. "Jack was larger than life and the heart of GE for half a century. He reshaped the face of our company and the business world. Jack was a strong and constant influence throughout my career despite never having worked directly for him."

Welch, who was named "[Manager of the Century](#)" by Fortune magazine in 1999, massively increased the scope and financial might of GE ([GE](#)) during his time at the top of the company. The market value of the stock rose from \$14 billion to more than \$400 billion, an increase of more than 2,700%, during those 20 years.

"He had a tremendous focus on shareholder value," said Jeff Sonnenfeld, a Yale business professor and founder and president of the Chief Executive Leadership Institute, who taught Welch in the early 1980s.

Sonnenfeld noted that Welch also pushed GE into new lines of businesses, with mixed results. For instance, Welch presided over GE's 1986 takeover of NBC-owner RCA. GE [sold the business](#) to Comcast ([CMCSA](#)) in 2013.

And under Welch, GE plowed headfirst into financial services, creating one of the world's largest banks. Yet GE Capital imploded during the 2008 financial crisis, nearly bringing the rest of GE with it.

"That provided a cookie jar. But it was a diversion that many European industrial giants didn't get distracted with," said Sonnenfeld.

Welch became the leading proponent of the business theory known as "[Six Sigma](#)," the push to constantly improve the way business is conducted at a company.

And under his theory, any business unit that was not either the leader or No. 2 in its market should be fixed, sold or closed. And it also called for managers at the business to be ranked, and those at the bottom of the ranking to be cut loose.

By following those rules, Welch became known as "Neutron Jack," as he shed both divisions and individual managers who he believed were not performing at a sufficient level. His first year as CEO in 1981, he sold close to 100 businesses, said Sonnenfeld.



@realDonaldTrump

Jack Welch, former Chairman and CEO of GE, a business legend, has died. There was no corporate leader like “neutron” Jack. He was my friend and supporter. We made wonderful deals together. He will never be forgotten. My warmest sympathies to his wonderful wife & family!

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The first thing he did was reverse what been the biggest deal in GE history, its \$2 billion merger with mining company Utah International in 1976, Sonnenfeld said. It was the nation's largest merger at the time.

Welch also had his critics while he was CEO, who accused GE of manipulating or [managing its earnings](#) to [smooth out results](#), timing when certain gains or losses might be reported. Throughout Welch's time as CEO GE reported nothing but [steady earnings growth](#) that met or beat forecasts, even when external economic factors created much more uneven results at its competitors.

GE eventually faced accusations from the Securities and Exchange Commission in 2009 that it improperly manipulated results. It settled those charges, paying a [\\$50 million fine](#). But it did not admit wrongdoing, and the results included in the settlement were reported after Welch had left the company.

In 2012, Welch accused the Labor Department of similar manipulation, saying that it had [inflated the official jobs report number](#) just ahead of the 2012 presidential election to help President Barack Obama's re-election chances. He was widely [criticized](#) for the charge, for which he admitted he had no firm evidence other than doubts about the jobs number that was reported.

GE has [struggled mightily](#) in recent years, as it shed many of the units Welch had brought on, and made deep cuts in [its headcount](#), which has fallen by more than [100,000](#) in just the last two years.

Its once prized [share price](#) became a laggard, as the company slashed its dividend to a penny a share. But the deep cuts that Culp has made have helped to [turn around shares](#) in recent months before the recent market correction.

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