



EXCHANGE

ANNUAL REPORT

95 | 96

FALL 1996

THE J. WILLARD

AND ALICE S.

MARRIOTT SCHOOL

OF MANAGEMENT

BRIGHAM YOUNG

UNIVERSITY

MSM Stewardship Report

As you may have already discovered, this issue of *Exchange* is quite different from previous issues of the magazine in that it includes an annual report of the Marriott School of Management to the community it serves. That community includes the alumni, of course, but it also encompasses others who have an interest in what we do here at the Marriott School—businesses, government agencies, the media, advisory groups, donors, other management schools, professional associations, and the church that sponsors Brigham Young University.

This report is intended to provide information about the activities and accomplishments of the faculty, students, and programs of the Marriott School of Management. It highlights the five degree programs in the school, faculty publications, student admission and placement data, the annual management conference, and a financial report.

This information is presented as a stewardship report for the academic year 1995-96. We appreciate very much our alumni and various support groups. We hope this annual report will be useful to those interested in tracking the progress of the Marriott School. We plan to publish a similar report each year in the fall issue of *Exchange* magazine. Please let us know if there is other information you would like to see included in our annual report.

We in the dean's office express appreciation to the various department chairs, program directors, and others in the school who have helped gather and organize the information contained in this report. And a special thanks goes to you, the members of the Marriott School's larger community, for your continued support of and interest in the school's mission and progress.



K. Fred Skousen,
Dean, Marriott School of Management

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MARRIOTT SCHOOL
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UNIVERSITY

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Published by the
J. Willard and Alice
S. Marriott School of
Management, Brigham
Young University,
Provo, Utah. Copyright
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All communications
should be sent to
EXCHANGE, 588 Tanner
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Utah 84602. Telephone
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Cover Photograph
by John Snyder

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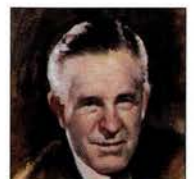
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22	PRINCIPLES OF LEADERSHIP Mark H. Willes <i>We're likely to be more successful if we don't get diverted and can focus on our central purpose. This idea of focus works in families; it works in churches; it works in every business organization I know of.</i>
26	GEORGE ROMNEY: A CITIZEN FIRST W. Mitt Romney <i>I never saw my dad dance with the devil of popularity, and I can never recall hearing him regret telling the truth. How much happier, more fulfilling, and more meaningful our lives could be if we could do likewise.</i>



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The BYU MBA
program is unique in
that we not only learn
important concepts from
some of the best faculty
in the country, but we learn
those concepts with a
recognition that life is so
much more than just
business. It means a great
deal to me that my
professors are committed
to the values and ideals
espoused by the university.



Photography on pages 2-11 by John Snyder

The MBA program offers a master of business administration degree. Students who have also been admitted to other master's programs may complete joint degrees. Currently approved joint programs include the MBA E (engineering), the JD/MBA (law), and the MBA/MA (international studies). The MBA program has consistently been ranked by *U.S. News & World Report* as one of the top second-tier programs. The MBA program has also been recognized as number one in value, based on tuition and quality of education.

The MBA program has a strong international emphasis, reflecting the increasing globalization seen in the business world. Because of its international reputation, many large companies come to the campus to recruit. The program is designed to mirror business practices and to give students exposure to current business trends.

JEFF PETERSON

MBA Student

The MBA Program

Curriculum

MBA students must complete a two-year program requiring 60 credit hours of classwork. During the first year, they participate in a lock-step core, developing competence in the major functional areas of management. The core schedule includes class instruction three hours a day, five days a week. Students receive exposure to key ideas and concepts in accounting, finance, marketing, operations, human relations/organizational behavior, and strategy, and they develop skills in managerial communication. Students work in teams and learn the importance of group processes.

Each week, students attend a management seminar that features a successful industry leader as the keynote speaker. They attend a formal presentation and are then invited to a question-and-answer session with the speaker.

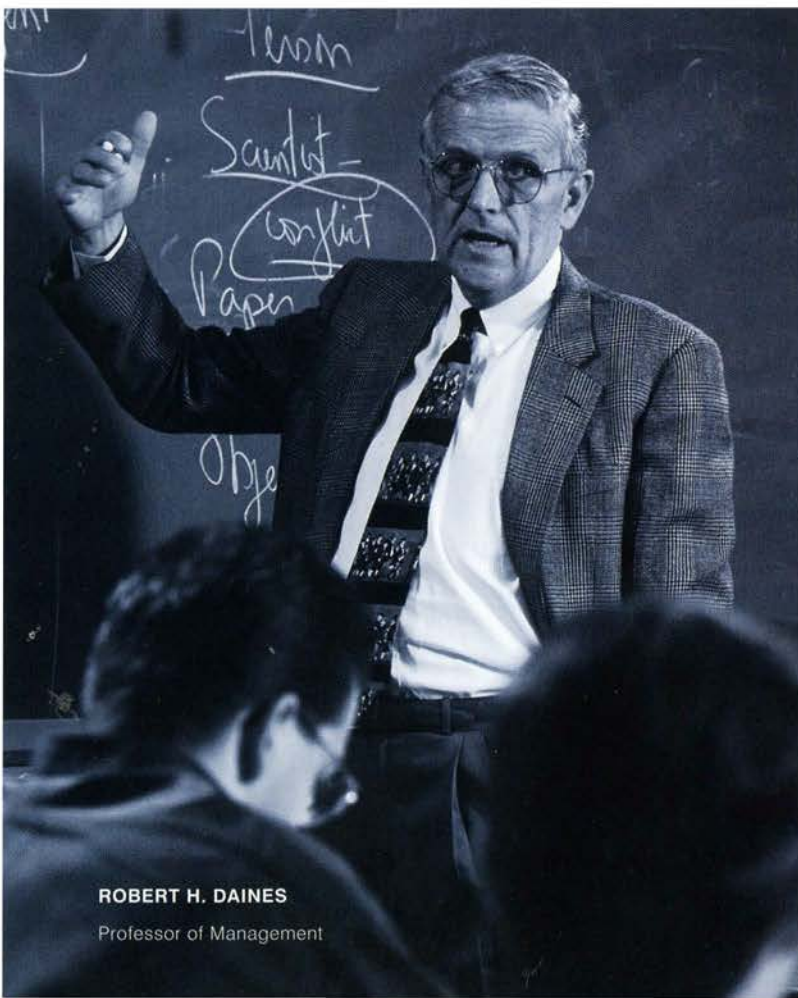
During the second year, students meet with faculty members and choose from a diverse set of electives to design a curriculum specifically tailored to their interests and career plans. The curriculum emphasizes teamwork, leadership, strategic thinking, and the importance of balancing the professional and personal aspects of life, in addition to developing technical and functional competence.



Faculty

The MBA faculty is selected from four departments within the Marriott School. The school has excellent faculty members who are productive scholars with a commitment to students and to teaching. In this role, they become mentors as well as teachers.

The Marriott School's goal is to have faculty members who are committed to excellence in all their activities, including teaching, research and writing, professional development, and academic service. Many faculty members consult regularly with businesses and government agencies and are respected leaders in their chosen fields.



ROBERT H. DAINES

Professor of Management

Statistical Information

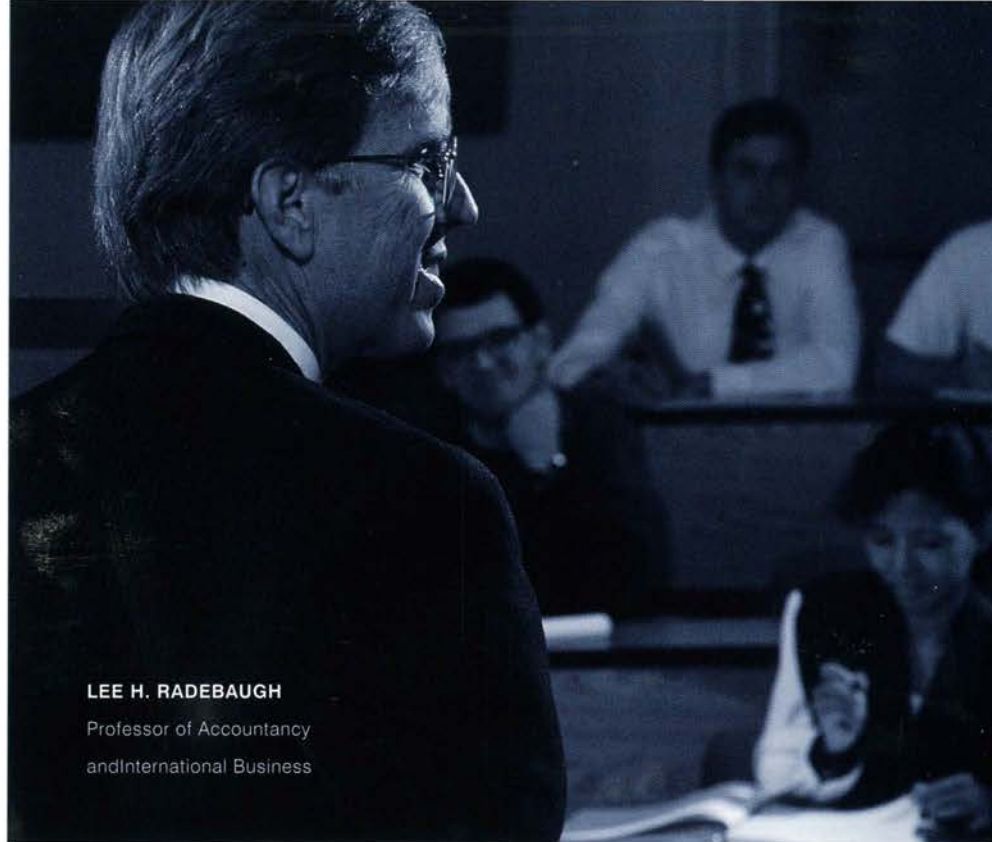
Students enrolled:	261
GPA of entering students:	3.47
Average GMAT score:	623
Percentage of students with foreign language ability:	75
Percentage of students with work experience:	98
Foreign students:	50



As Student Council
president, I have seen
the dedication and
competence of SOAIS
students, faculty, and staff
inside and outside the
classroom. The rigors
of a demanding curriculum
provide what I believe is
an unparalleled opportunity
for professional preparation
and personal growth.

GREG HYDE

MAcc Student
and President, SOAIS
Student Council



LEE H. RAEDBAUGH

Professor of Accountancy
and International Business

The School of Accountancy and Information Systems (SOAIS) offers a bachelor of science degree in accounting, as well as master of accountancy degree programs in accountancy, tax, and information systems. The master's degree program is an integrated three-year program that culminates in a concurrent awarding of the bachelor's and master's degrees.

These programs, which are separately accredited by the American Assembly of Collegiate Schools of Business (AACSB), are ranked among the best in the United States. In a recent issue of the *Public Accounting Report* (August 15, 1996), undergraduate and graduate SOAIS programs were ranked third in the nation. Because of the programs' outstanding reputation, more than 95 percent of accounting graduates are placed in professional careers by the time they graduate. This reputation is based on exceptional students, faculty, curricula, and alumni support.

The Accounting Program

Curriculum

The SOAIS offers a broad-based curriculum designed to meet the communications, interpersonal, and intellectual needs of accounting and information systems students. Considerable emphasis is placed on written and oral communication and on management skills such as quantitative analysis, computer literacy, group work, leadership, and critical thinking skills. Students also learn the importance of lifelong learning. A model for many schools across the U.S., the SOAIS curriculum has prompted representatives from more than 30 universities to visit the school, and SOAIS faculty serve as curriculum advisors to several other schools.

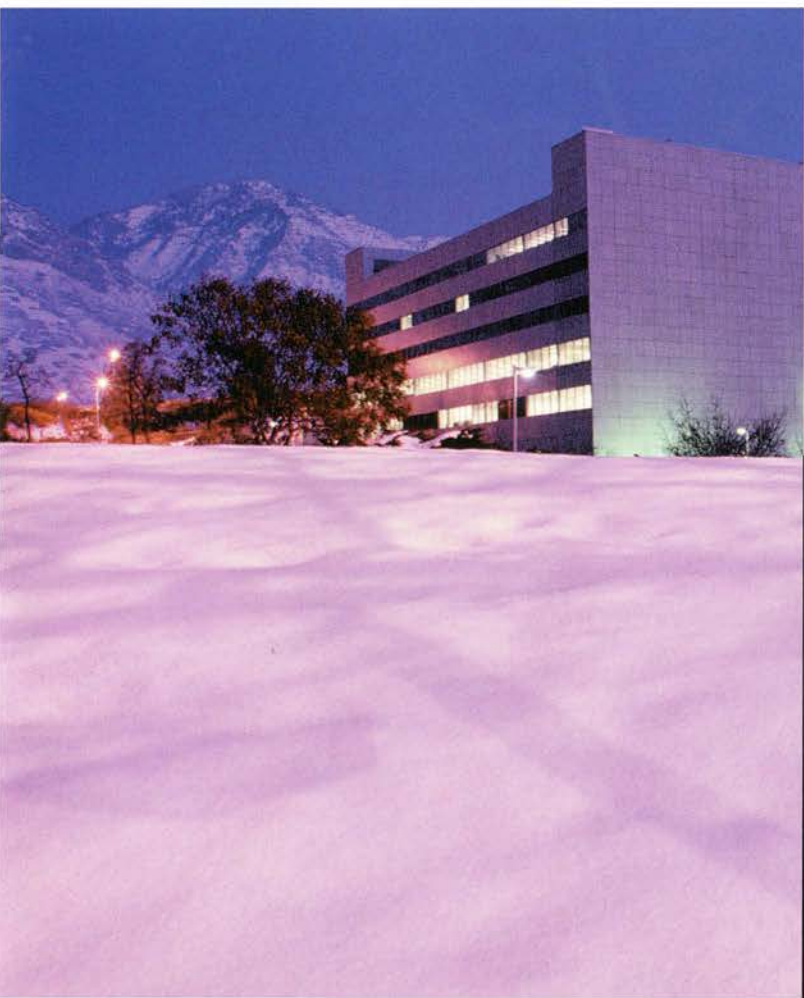
Entering students are required to take an integrated, 24-semester-hour junior core taught by a team of five professors. The core meets three hours each day, four days a week, during fall and winter semesters. The core is a systems-based experience that includes intermediate accounting, managerial accounting, auditing, systems, tax, and law. Master's students enroll during their senior year in a similar 12-semester-hour, team-taught core that covers marketing, finance, organizational behavior, operations, strategy, and communication. All students are required to take additional business and nonbusiness support courses.



Faculty

The 34-member SOAIS faculty (31 PhDs) consists of 15 professors, six associate professors, 11 assistant professors, and two adjunct professors with extensive business experience. Many are known nationally for their teaching expertise, business consulting, research, and publications. SOAIS faculty have previously taught at many other outstanding universities, including the University of Minnesota, University of California at Berkeley, University of Texas, University of Illinois, Stanford University, University of Missouri, University of Washington, Indiana University, Penn State, Michigan State University, and Oklahoma State University.

Most professors have earned such professional qualifications as certified public accountant (CPA), certified management accountant (CMA), certified internal auditor (CIA), certified fraud examiner (CFE), or certified data processor (CDP). Many professors have previous professional work experience, and several faculty consult regularly with some of the world's largest businesses. These include General Motors, Ford, Caterpillar, ALCOA, Bank of America, Deloitte & Touche, Ernst & Young, Arthur Andersen, KPMG Peat Marwick, and many governmental organizations. SOAIS faculty have also written a number of successful college texts and other books.

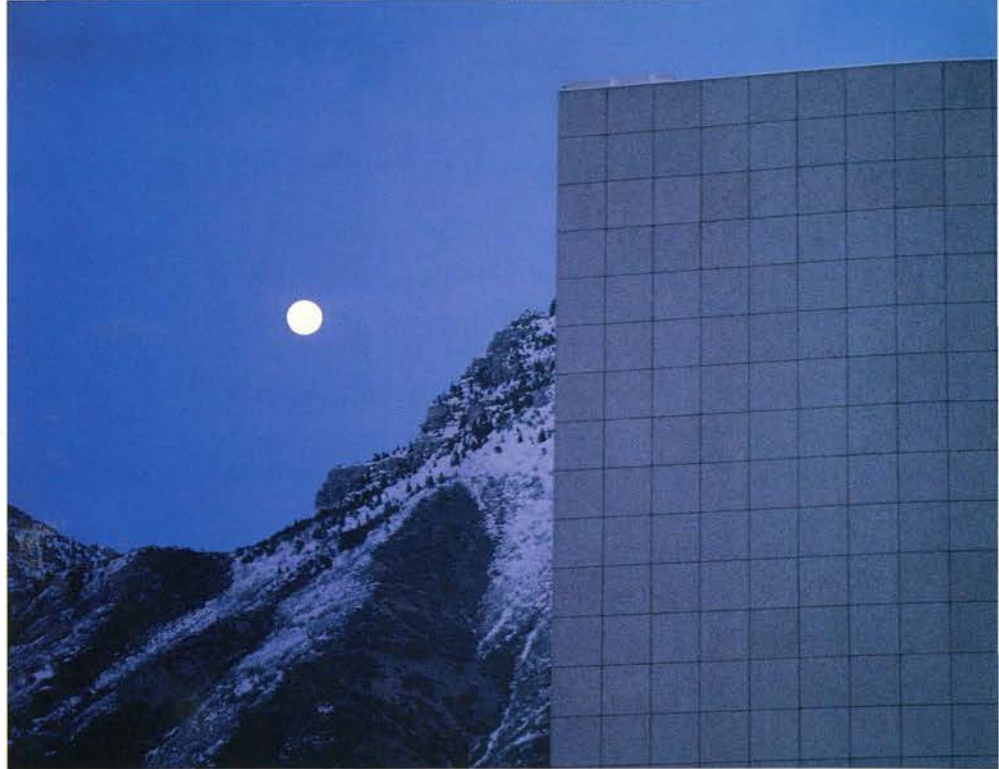


Statistical Information

Undergraduate students admitted, 1996:	270
Graduate students admitted, 1996:	170
Average college GPA of entering students:	3.67
Average GMAT score:	600
Percentage of students with foreign language ability:	70
States represented by 1996 entering students:	38
Foreign countries represented by 1996 entering students:	11
Bachelor's degrees awarded, 1995-96:	114
Master's degrees awarded, 1995-96:	162



As a student in the
MPA program, I am not
only learning how to manage
in the public and not-for-profit
sectors, but I am learning how
to make a difference in my own
community. I will be prepared
to begin a career, but more
important, as an educated
citizen, I will have the skills
and knowledge to make a
positive impact on important
local issues, politics,
and government.



Brigham Young University's Master of Public Administration Program has received national acclaim for its design and content. It is accredited by the National Association of Schools of Public Affairs and Administration (NASPAA), and it has an outstanding tradition of excellent students and faculty. This program is dedicated to educating people with ethical values, management skills, leadership abilities, and public service commitments to administer and serve in society's public-sector organizations. Alumni from this program now occupy significant leadership positions at all levels of government and in dozens of other public and private organizations. Two programs are offered: a preservice and an in-service or executive program.

Preservice MPA Curriculum

The MPA degree is a two-year professional degree requiring four semesters of full-time study. The curriculum in the preservice and executive programs is based on core

MARY CATHERINE
PERRY

MPA Student

The MPA Program

courses that provide the essential problem-solving and decision-making skills. Students learn to appreciate the processes of government and the values that are the basis of our democratic system.

Four areas of concentration are offered: city management, human resource management, financial management, and policy analysis.

Executive MPA Curriculum

This fully accredited program offers a unique educational opportunity without career interruption. The program is designed to meet the career development needs and improve the leadership skills of those presently employed in the public sector and other not-for-profit organizations. The curriculum is geared toward persons who desire to pursue a master's degree in the evening while continuing to work full time.

The executive program's three-year sequence of courses prepares individuals for mid-level management and top administrative positions.

Because the curriculum draws heavily upon work experience, it is essential that applicants have a minimum of four years' full-time work experience prior to admission. Classes are taught at the BYU Salt Lake Center.

Faculty

The MPA program is staffed by an outstanding interdisciplinary faculty. Many have substantial practical experience, and all are productive scholars with a strong commitment to teaching. Current faculty research projects include:

- the importance of the public interest;
- ethical predispositions in managers;
- the significance of utility deregulation for local governments;
- the impact of hospitals on rural economies; and
- the effect of international debt policies on developing countries.

In addition to elected and appointed positions in national and state professional associations such as the American Society for Public Administration, faculty members have served in a variety of public management positions, including city manager, legislative auditor general, state tax commissioner, and GAO staff member. Current consulting relationships with a variety of governments help keep the faculty up-to-date on today's public management issues, serve to enliven classroom discussions, and promote relevant applied research.

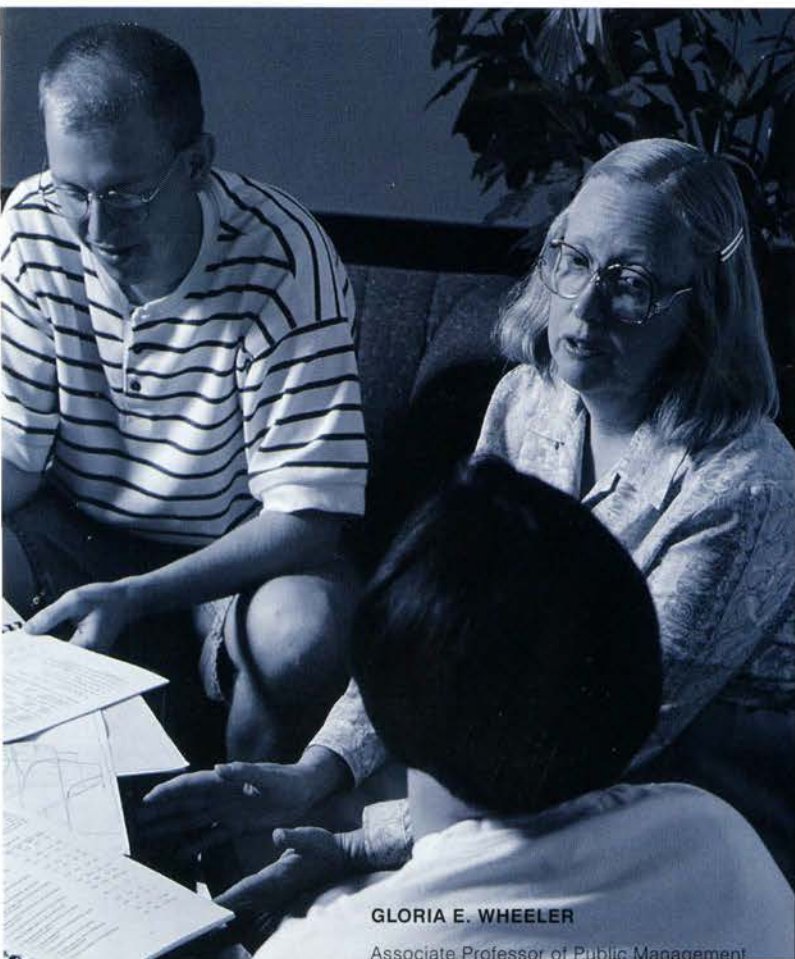
Statistical Information

Student Profile (Preservice)

Number of students:	56
Average age:	26
Average work experience:	2.4 years
Average GPA:	3.41
Average GMAT:	540
Women:	29 percent
Minorities:	7 percent
International:	7 percent
Graduates, 1995-96:	24

Student Profile (Executive)

Number of students:	92
Average age:	35
Average work experience:	10 years
Average GPA:	3.11
Women:	25 percent
Minorities:	9 percent
Graduates, 1995-96:	34



GLORIA E. WHEELER

Associate Professor of Public Management



Perhaps the most useful things I have learned from the program have been critical thinking and diagnosing organizational problems. Learning to think critically about a situation has kept me from making a rash or quick diagnosis. I am able to see through fads and techniques because I have learned to think not only about the process, but also about the outcome.



The Master of Organizational Behavior (MOB) Program is dedicated to creating compatibility between human values and organization goals. Emphasizing the applied behavioral sciences, this two-year professional program is designed to prepare competent and ethical specialists. The program, which is accredited by the American Assembly of Collegiate Schools of Business (AACSB), is ranked among the best in the United States. In October 1994, the *Bowling Green Survey* ranked BYU's MOB program fourth in the nation. Respondents included managers, executives, practitioners, and others.

JOHN K. QUERETO

MOB Student

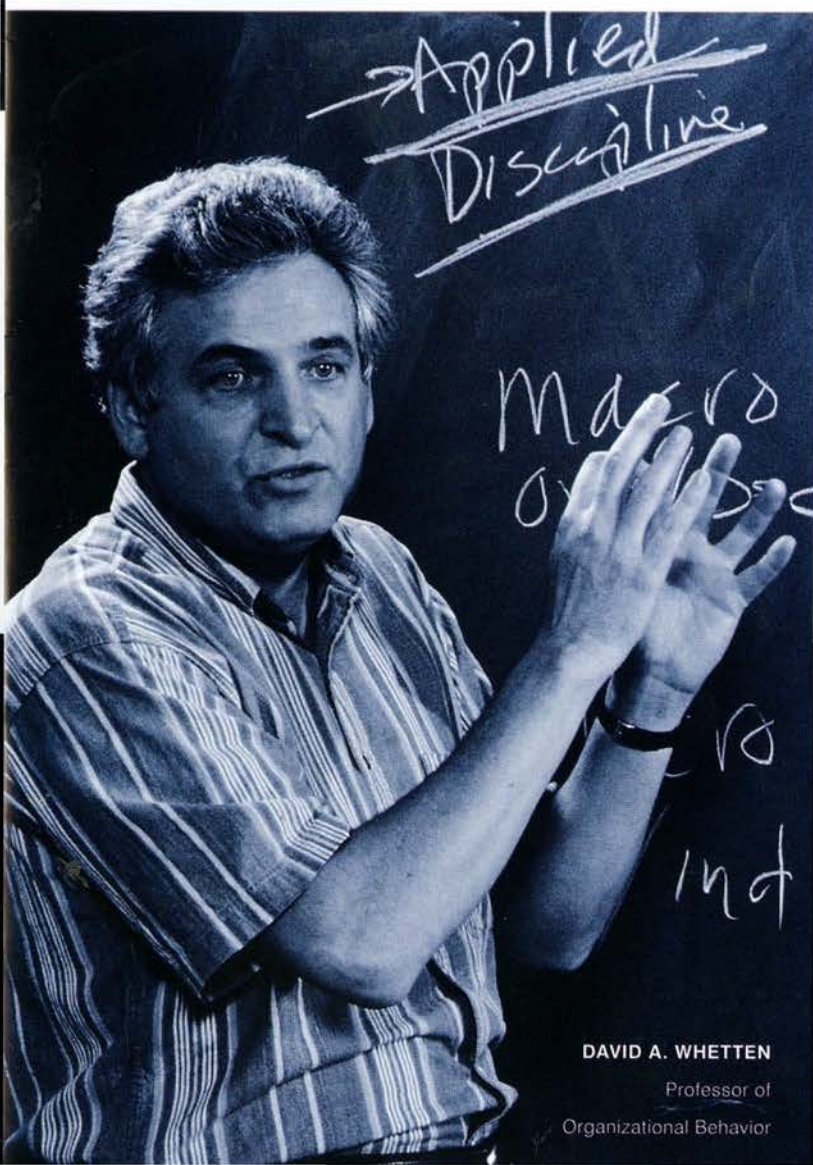
MOB Program

Curriculum

The program equips students with theoretical, analytical, diagnostic, and "change-agent" skills used to collect relevant data about organizations and their members and to design appropriate interventions. A strong emphasis is given to applied behavioral science in three areas: organizational strategy, human resource management, and organizational development and change.

These focus areas are supported by the core competencies of theory mastery and development, research and diagnosis, process and intervention, and business fundamentals. Critical thinking, integration skills, and international management also receive attention.

Entering students are required to complete 38 hours of MOB core curriculum. All students must then take additional electives to complete the 53 hours required to obtain the master of organizational behavior degree.



DAVID A. WHETTEN

Professor of
Organizational Behavior

Faculty

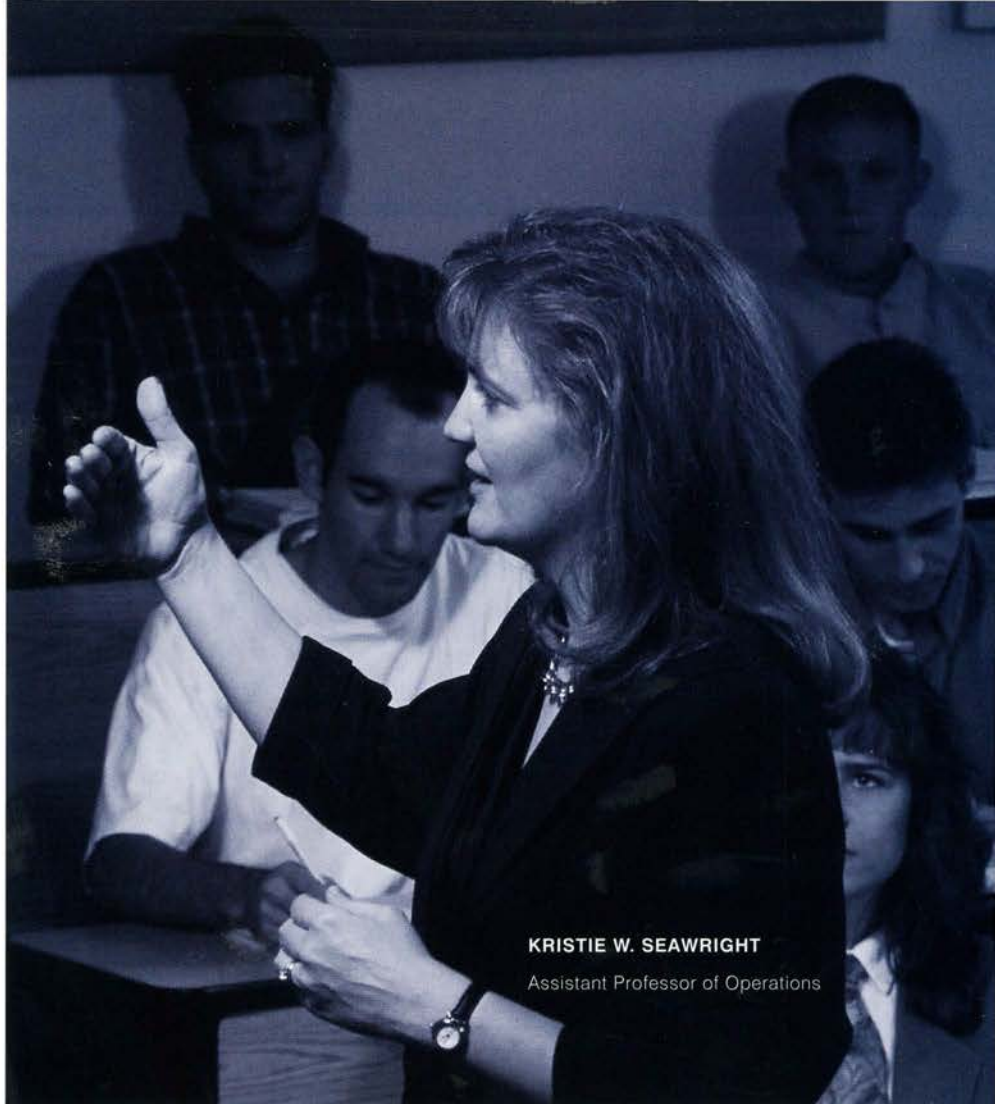
MOB faculty members are well-known scholars in a variety of fields, such as organizational theory, organizational development and change, managing diversity, strategy implementation, labor relations, and human resource management. The faculty applies a wealth of knowledge to help students understand key concepts and theories in the field and develop practical skills to solve the problems of today's organizations. Moreover, the program's design and relatively small size encourage one-on-one mentoring. This creates a rich learning environment.

Statistical Information

Students admitted each year:	25
Entering students' average GPA:	3.7
Average GMAT score:	582
Average GRE score:	1806
Percentage of students with foreign language ability:	70
Foreign students admitted, fall 1996:	5
MOB degrees awarded, 1995-96:	17



I feel prepared for real-world business opportunities because of the broad course variety. I have particularly enjoyed choosing from the program emphases. As an international marketing major, I am privileged to learn from knowledgeable professors whose research and consulting backgrounds provide up-to-date and exciting examples in every principle taught.



KRISTIE W. SEAWRIGHT
Assistant Professor of Operations

The Marriott School's undergraduate management program offers a bachelor of science degree in management with the opportunity to choose among 11 different emphases. The program is accredited by the AACSB. In the most recent *U.S. News & World Report* "Best Colleges Rankings," Brigham Young University's undergraduate business program is ranked 39th in the nation. This reputation is derived from its excellent students, faculty, curriculum, alumni support, and facilities.

AMY MOORE

International
Marketing Major

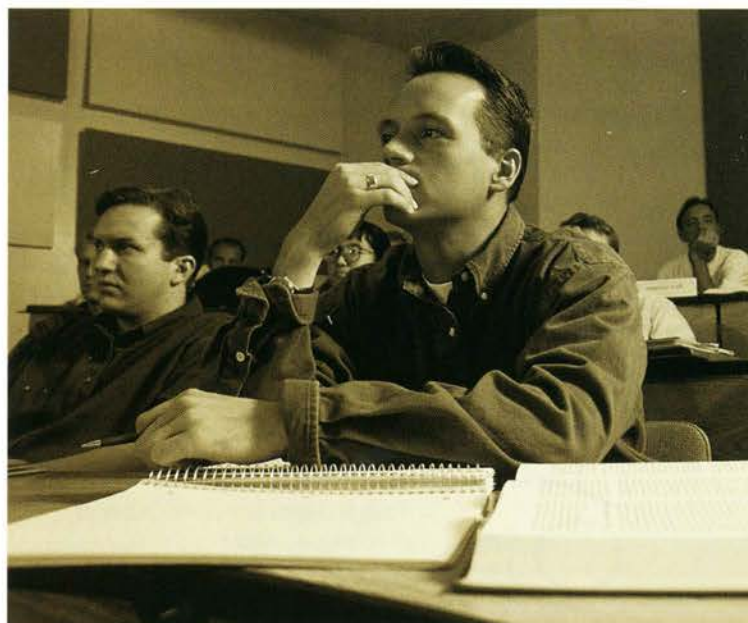
The Undergraduate Management Program

Curriculum

The Marriott School's undergraduate management program has a broad-based curriculum. Before they can apply to the program, students must prove competent in economics, accounting, statistics, computer proficiency, and mathematics.

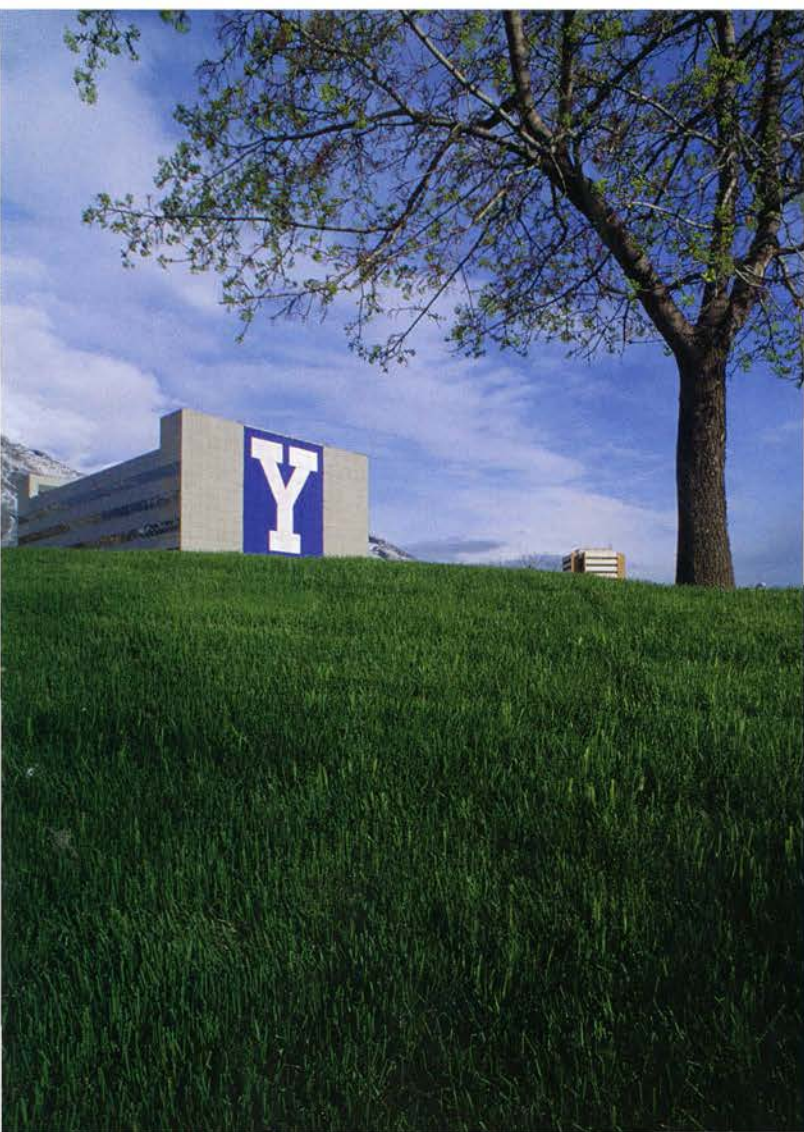
Once admitted to the program, students enter Core I, where they expand their understanding in accounting, business law, managerial economics, government, ethics, international business, and communication. They are taught the importance of lifelong learning, teamwork, leadership, and critical thinking.

In Core II classes, students learn the basics of finance, marketing, and operations and are taught to integrate these functions to fit an organization's overall strategy. Because of the varied opportunities in management, students may choose an emphasis in marketing, finance, operations, international business, managerial economics, retailing, entrepreneurship, insurance, financial services, organizational behavior, and management information systems.



Faculty

Undergraduate management program faculty members come from every department in the school. Many are known nationally for their teaching expertise, business consulting, research, and publications. The strength of the faculty adds greatly to the strength and depth of the management program.



Statistical Information

Undergraduates admitted each year:	700
Management graduates, 1995-96:	371

NEW BOOKS

Accounting: Concepts and Applications (fifth edition)

K. Fred Skousen, W. Steve Albrecht,
and **James D. Stice**

Southwestern, 1996

This textbook provides introductory accounting students and their instructors with the most timely, relevant, and understandable text possible.

*Accounting, Information and Technology,
and Business Solutions*

Anita Hollander, **Eric Denna**, and **Owen Cherrington**
Irwin, 1996

This text moves accounting education from a technical to a broader business perspective. It focuses on the use of business events to guide the design and development of information systems.

Communication Skills for Business and Professions

Paul R. Timm and James A. Stead

Prentice Hall, 1996

A comprehensive textbook on communication skills required in any work setting, this volume applies age-old skills to today's technologically sophisticated workplace.

Database Management and Design (second edition)

Gary W. Hansen and **James V. Hansen**

Prentice Hall, 1996

This text introduces database concepts for upper-division courses. Concepts include semantic modeling, relational databases, client/server systems, advanced SQL, and management issues.

Developing Management Skills (third edition)

David A. Whetten and **Kim S. Cameron**

Harper Collins, 1995

This volume's goal is to provide current and prospective managers with personal, interpersonal, and group skills necessary to reduce the gap between good ideas and accepted practice.

*The Reluctant Retreat: The Soviet and East German
Departure From Central Planning*

Phillip J. Bryson

Dartmouth Publishing, 1995

This volume asks why the economic system of East European socialism failed. It investigates East German and Soviet attempts to escape the inefficiencies of central planning and looks at various aspects of life under those regimes.

*Say It Right: A Guide to Effective Oral Business
Presentations*

Garth A. Hanson, Kaye T. Hanson, and
Ted D. Stoddard

Irwin, 1995

The collective efforts of the three authors are directed toward helping practicing business executives and class-

room business students present themselves and their ideas more effectively.

Word Studies (ninth edition)

Devern J. Perry

Southwestern, 1996

The focus of this text/workbook is on learning new vocabulary and improving spelling ability using the principle of knowing the root word and the meaning of the prefixes and suffixes to define new words.

*Working Toward Zion: Principles of the United Order for
the Modern World*

Warner P. Woodworth and James W. Lucas

Aspen Books, 1996

This look at early Mormon attempts to live the United Order, a communal or cooperative economic system, also explores current economic applications that are consistent with United Order principles.

PROFESSIONAL APPOINTMENTS

W. Steve Albrecht, elected president of the Administrators of Accounting Programs Group and president of American Accounting Association.

J. Owen Cherrington, named director of strategic planning, Utah Association of CPAs; also received Outstanding Committee Chair Award, UACPA.

Paul Godfrey, received Western Academy of Management Best Paper Award for 1995.

Hal B. Gregersen, selected as a Western Academy of Management Ascendent Scholar.

Rayman D. Meservy, appointed chair, Information Systems/MAS Section, AAA.

Robert J. Parsons, named to a four-year term on the American Hospital Association Committee on Governance.

Kevin D. Stocks, elected treasurer, Teaching and Curriculum Section, American Accounting Association; appointed to the executive board of the Federation of Schools of Accountancy, Academic and Career Section of the AICPA, and the AAA nominations committee.

Lawrence C. Walters, elected to executive board of the National Section on Public Administration Education of the ASPA.

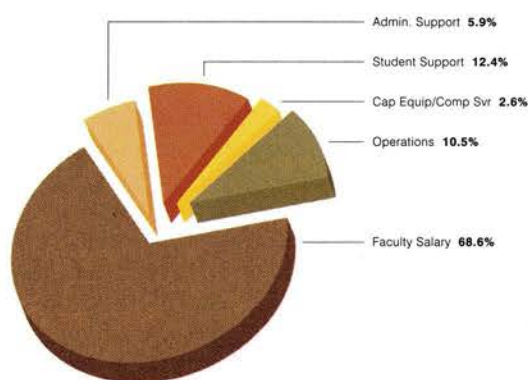
Gloria E. Wheeler, voted president-elect of the Utah Chapter of the American Society for Public Administration.

David A. Whetten, elected president of the Academy of Management.

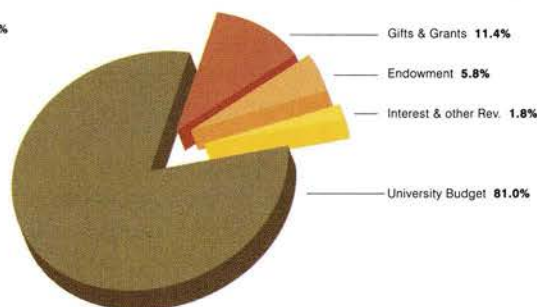
MSM Financial Report

as of August 31, 1996

	Current Funding Level	Additional Funding Required	Proposed Level
ENDOWMENT			
Dean's Endowment	\$3,268,300	\$1,731,700	\$5,000,000
Centers of Excellence			
Entrepreneurship	2,580,100	2,419,900	5,000,000
International Management	1,099,500	1,900,500	3,000,000
Center for Study of Values	496,100	1,503,900	2,000,000
Institute of Retail Management	2,051,700	0	2,000,000
Insurance, Risk Mgt., Fin. Services	321,500	2,678,500	3,000,000
Centers of Excellence Subtotal	6,548,900	8,502,800	15,000,000
Other Existing Endowments			
Chairs	1,615,600	1,384,400	3,000,000
Professorships	3,702,000	298,000	4,000,000
Faculty Fellowships	245,400	254,600	500,000
Student Scholarships	3,217,800	0	3,000,000
Research/Other	1,984,700	15,300	2,000,000
Other Endowments Subtotal	10,765,500	1,952,300	12,500,000
TOTAL	\$20,582,700	\$12,186,800	\$32,500,000
CURRENT OPERATIONS			
	1993-94	1994-95	1995-96
Endowment Earnings	\$665,200	\$744,900	\$987,000
Interest and Other Revenue	184,500	298,400	310,300
Gifts/Grants—Working Capital	1,274,700	1,300,800	1,923,000
TOTAL	\$2,124,400	\$2,344,100	\$3,220,300
DEFERRED GIFTS			
Trusts, Unitrusts, etc.	\$13,711,900		
Marriott Gift	11,200,000		
TOTAL	\$24,911,900		



Projected Summary of Cash Outflow



Summary of Cash Inflow

Online at the Marriott School of Management

Are you online? So is the Marriott School of Management. Check out our home page at <http://msm.byu.edu/>. The eight areas described below are updated frequently to provide current information about the school, its programs, departments, faculty, students, and resources.

You can also find links to the latest issue of *Exchange* magazine on the school's home page. Ever wanted an extra copy of an article for someone else to read or for your files? Print it yourself from our online version. Or show your work colleagues and friends who aren't on our mailing list where they can find *Exchange*.

General Information

Meet J. Willard and Alice S. Marriott, read a message from Dean K. Fred Skousen, or take a tour of the Tanner Building. Learn about N. Eldon Tanner and why BYU named the building after him. Read the mission statement of the Marriott School of Management: <http://msm.byu.edu/general/mission/>.

Academic Programs

The Marriott School Advisement Center provides undergraduate program information. Current scholarship information is also available during the year. Learn about joint degree possibilities, get admissions information, or meet the directors of the graduate programs and see their latest offerings at <http://msm.byu.edu/programs/grad/>.

Student Placement

Would you like to know how your salary stacks up nationwide? Or maybe find out how your company can participate in our popular recruiter ski days? Career Services has the resumé of Marriott School graduate students online for recruiters plus helpful information for upcoming graduates at <http://msm.byu.edu/placement/carser/>.

Departments

Find the ROTC home page here. The new department home pages will introduce you to the reorganization of the Marriott School from six departments to four. Please see <http://msm.byu.edu/dept/>.



Centers and Institutes

The Center for International Management, the Center for Entrepreneurship, the Center for the Study of Values in Organizations, and the Institute of Retail Management support students and faculty with contacts in the business world. The MSM was recently named by *Success* magazine as one of the top 25 business schools for entrepreneurs. See the cover at <http://msm.byu.edu/c&i/cfe/>, and visit the student site of the Association of College Entrepreneurs at <http://msm.byu.edu/students/clubs/ace-byu/>.

Faculty and Staff

Check out "Who's in the Spotlight?" Learn about the media center and the word processing center, take a tour of the Tanner Building to find out where faculty and department offices are, or use the employee directory to meet the faculty and staff of the Marriott School. Photos, phone numbers, classes, office hours, resumé, professional affiliations, and interests can be found at <http://msm.byu.edu/fac&staff/>.

Student Resources

Read the *Student Journal*, a newsletter written by MSM students for MSM students. Find the current devotional/forum/CES fireside schedule. Learn about the MSM computer lab and its staff (each has his or her own home page). Students can access course handouts and lecture notes from their professors. The latest information about clubs, the Management Society, scholarships, and the Mentor Program are found here. Need a mentor? Want to be one? Look into it at <http://msm.byu.edu/students/mentor/>.

Alumni Resources

Get information on the annual management conference, or find out who the Management Society leaders are in your area. Several Management Society chapters are online:

Sacramento: <http://www.sacbiz.com/lds/group/>

Salt Lake City: <http://msm.byu.edu/alumni/mgt/soc/slc.htm/>

Seattle: <http://msm.byu.edu/alumni/mgt/soc/seattle/>

Management Conference Highlights

Some 700 businessmen and women attended the second annual management conference sponsored by the Marriott School of Management. The conference theme was "Successful Leadership in Organizations, Communities, and Families." Timely real-world issues affecting business and personal success were addressed by world-class presenters.

Presenters in the general sessions included Mark Willes, chairman, president, and CEO of The Times Mirror Company; Mitt Romney, managing general partner of Bain Capital; K. Fred Skousen, dean of the Marriott School of Management;

The conference concluded with a reception in the Harris Fine Arts Center and a stirring address by Elder Neal A. Maxwell of the Quorum of the Twelve Apostles on living ethically and achieving a balance in professional, religious, and family commitments.

"This is the best CPE conference I attend each year," said one attendee. "It was uplifting and educational." Said another, "Even just the last half of the Friday sessions was worth the whole price of the conference."

The management conference is part of the Marriott School's effort to extend its mission beyond the students who spend two



Keynote speaker Mark H. Willes

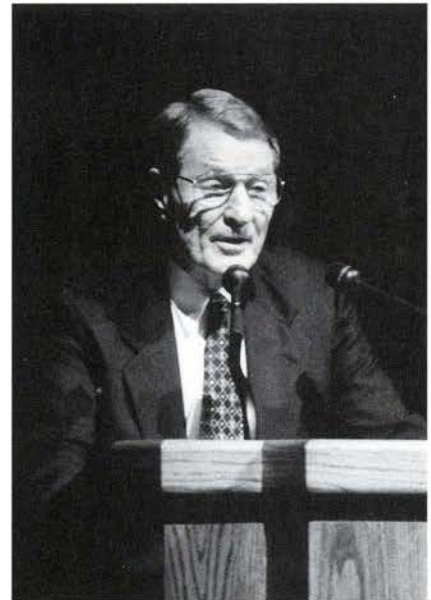
Mike Murray, vice president of human resources and administration at Microsoft Corporation; Kim Clark, dean of the Harvard Business School; Dale Murphy, former professional baseball player with the Atlanta Braves and two-time National League MVP; and Roger Clark, director of investment securities for The Church of Jesus Christ of Latter-day Saints.

More than 40 breakout sessions offered cutting-edge content and featured outstanding presenters in accounting and business issues, entrepreneurship, global management, public management, computer and information systems, ethics and social responsibility, healthcare issues, organizations for the 21st century, and personal and family management.

or three years studying within the walls of the Tanner Building. "There is a constituency out there of BYU alumni and other LDS people who may not have attended BYU," says Kim Cameron, associate dean of the Marriott School, "who have said to us, 'We'd like BYU to offer a business-oriented educational experience with a gospel foundation.'" The management conference is an attempt to offer such an experience.

Along with dynamic speakers, the conference offers continuing professional educational (CPE) credit in various areas. For the 1996 conference, organizers expanded the number of classes that qualified for CPE credit.

The third annual management conference will be held June 19-21, 1997. Due



Elder Neal A. Maxwell

to construction projects on campus, sessions will be held in the Harman Conference Center and Harris Fine Arts Center. Among keynote speakers will be Hyrum Smith, chairman of the Franklin Quest Company, and Nolan Archibald, chairman, president, and CEO of The Black & Decker Corporation.

For information, including registration fees, reduced hotel and airfare rates, and CPE credit, please call (801) 378-4853. 



Mike Murray

Update

Gregersen Honored

Hal B. Gregersen, assistant professor of organizational behavior at the Marriott School, was selected as a Western Academy of Management Ascendent Scholar at its annual meeting in Banff, Alberta, Canada, March 28-30, 1996.



Hal B. Gregersen

The Ascendent Scholar recognition is given to junior faculty who have achieved a high level of scholarship in the first five to eight years after their dissertation and who show promise of continuing to make major contributions to the study of management.

Before coming to BYU in 1992, Gregersen taught at Pennsylvania State University-Erie. He has been a visiting professor at Thunderbird (AGSIM), Dartmouth College, Helsinki School of Economics and Business Administration, and the Turku School of Economics and Business Administration.

Hart Receives Professorship

President Merrill J. Bateman honored several faculty and staff members during the annual university conference August 26, 1996. David Kirkwood Hart of the Marriott School's public management faculty received the Alumni Professorship Award.

Hart, whose ethics courses have long been popular among graduate students, has taught at BYU since 1983. Before coming to BYU, he taught in the School of Business Administration at the Uni-

versity of Washington. He has published extensively and is currently doing



David Kirkwood Hart

research on moral and ethical issues of free enterprise, focusing on Adam Smith's moral philosophy, the Scottish Enlightenment, and the foundations of the American republic.

Whetten Honored by Academy of Management

David A. Whetten, director of the Marriott School's Center for the Study of Values in Organizations, was recently elected president of the Academy of Management. He will serve a five-year term with the academy and will be a member of its board of governors. A professional association for business school faculty, the Academy of Management consists of approximately 10,000 members from 80 countries.



David A. Whetten

Whetten has received several honors and has served in many capacities within the organization. He was editor of the *Academy of Management Review*, is an Academy Fellow, and was awarded

the Academy's Distinguished Service Award. He taught at the University of Illinois 20 years before joining the BYU faculty in 1994.

Leadership Change in Business Management Department

Ned C. Hill, Business Management Department chair, has accepted an assignment to serve as vice president to President Merrill J. Bateman. Hill is the Joel C. Peterson Professor of Business Administration.



Ned C. Hill

Internationally known for his work with electronic data interchange, Hill is the author of more than 70 professional publications and three books. He is the recipient of four MBA Teaching Excellence Awards and the Outstanding Faculty Award. Congratulations to Ned on his new appointment.

Taking Hill's place as chair of the Business Management Department is J. Michael Pinegar. Pinegar came to BYU in 1988, after having taught at the University of Utah and the University of Iowa.



J. Michael Pinegar

Pinegar specializes in corporate finance and investments. His publications deal with capital structure adjustments, bond/stock prices, risk, inflation, and seasonality in investments. He was recipient of the Marriott School's Outstanding Faculty Award in 1995.

George Romney Named Administrator of the Year

At a banquet on March 22, 1996, the Institute of Public Management and the Master of Public Administration Association named George W. Romney the 1996 Administrator of the Year. The award was presented posthumously and was accepted by his son, W. Mitt Romney (see acceptance speech on page 26).

The award is given annually to an outstanding man or woman who has achieved distinction after many years of service in the public sector. Recipients of the award have personal and professional qualities recognized and honored by peers.

The Honorable George W. Romney was one of the few Americans to distinguish himself in all four sectors of our society: business, government, religion, and volunteer service. Mr. Romney was an automobile executive, a three-term governor of Michigan, a republican presidential candidate, a member of the president's cabinet, a church leader, a tireless volunteer activist, and a devoted family man.

MSM Staff Excellence Awards

The 1996 Staff Excellence Awards were presented at a luncheon on May 17, 1996. These awards recognize and reward contribution of full-time or permanent part-time staff and promote excellence in all areas of the Marriott School. Recipients of this year's awards are Bob Kellett, computer services representative for the school; Merlene Reeder, MBA program administrator; and Mary Taylor, program assistant in the Center for Entrepreneurship.

Semiannual Entrepreneur Founders Conference

On Friday, September 20, 1996, the Center for Entrepreneurship sponsored its fall semiannual Entrepreneur

Founders conference. A breakfast buffet featuring guest speaker LaVell Edwards kicked off the morning session. Veloy Smith, wife of sculptor Dennis Smith, addressed the spouses while the Founders listened to a presentation on new technology by Gary Rhoads and Mike Swenson of the Marriott School marketing faculty.

A luncheon presentation on the Dead Sea Scrolls by Jack Welch of the Foundation for Ancient Research and Mormon Studies was followed by two afternoon sessions of workshops for students. Workshops gave the students a chance to meet one-on-one with seasoned entrepreneurs, receive feedback on their own entrepreneurial ideas, learn about franchising opportunities, obtain advice on financing new businesses, explore the pluses and minuses of multi-level marketing, learn about technology transfer, and discover how to tell a viable business opportunity from an idea.

Alumni Medical Insurance

Most graduates' medical coverage ends when they graduate. Generally, they are no longer "students," nor are they "dependents," as defined by their parents' medical insurance carriers.

The need for medical coverage has increased as more companies are downsizing and more alumni are becoming small-business owners or operating businesses from their homes.

Comprehensive major medical coverage is now available, with three different options, as a product and service of the BYU Alumni Association:

- *GradMed* is a major medical policy available for periods of 60 to 180 days with a deductible of \$250 and \$1 million of lifetime benefits.
- *Major Med+* is a major medical policy with benefits renewable to age 65 and a variety of deductibles—\$500; \$1,000; \$2,500; \$5,000; and \$10,000.
- *Protector Med+* has deductibles of \$25,000 or \$50,000. Co-insurance is usually 80 percent of the next \$5,000; with allowable expenses beyond this covered 100 percent.

Highlights of these programs include:

- Choose your own doctor or hospital.
- Utilization review to assist your medical usage.
- Rates based on age, gender, geographic area, and deductible.
- Ten-day policy review period and 30-day money-back guarantee.
- Fully-insured policies.

Administered by the American Insurance Administrators, the nation's largest alumni association insurance administrator, the plans are underwritten by Fidelity Security Life or United States Life.

Additional information may be requested by writing AIA-BYU Alumni Insurance, 3070 Riverside Dr., Columbus, OH 43221, or by phoning 1-800-922-1245. E

We need news about alumni for new Class Notes

If you've recently changed jobs, been promoted, received a significant award, published a best-selling book, been elected to office, or if you just want your former classmates to know where you are and what you're up to, please send us some news about you. Send a photo, too, and we'll feature you in the new *Class Notes* section of *Exchange*.

Many alumni magazines include a class notes section to help alumni keep track of their classmates, and we felt this would be a valuable feature to add to *Exchange*.

So that you understand what we're looking for, we've concocted a couple of fictitious class notes as examples.

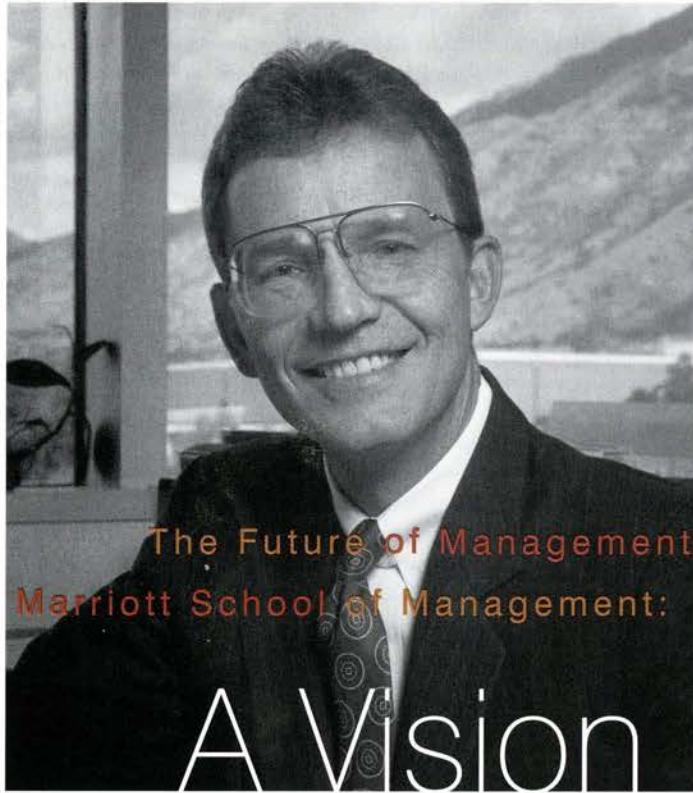
1980

Carrie Osterhof, MBA, has been promoted to manager, human resources administration, with Lakeside Transmission, a division of General Motors. She works in Chicago.

Ron Hewlitt, BS, received the 1996 Centennial Award from the Future Vision Association. Ron is vice president of marketing with Continuous Vision Corporation in Reno, Nevada.

Please send your news to:

Class Notes, Exchange, 588 TNRB, Provo, UT 84602, or E-mail: exchange@acd1.byu.edu



The Future of Management Education
in the Marriott School of Management:

A Vision

of Excellence

BY DEAN

K. FRED SKOUSEN

This is an edited

version of an address

delivered on June 20, 1996,

at the Marriott School's

annual management

conference.

We live in a rapidly changing world. The world of business is also dynamic, and management education must change to keep pace with the changing world. As I discuss management education from the perspective of the Marriott School of Management, I will mention some significant changes we are making, but also point out some constants we must never lose sight of.

Recently, Mr. Tom Quarton, an executive for Ameritec, addressed our business students. He asked some interesting questions in describing his company's mission and strategic plan.

- What is unique about us?
- What values are our true priorities?
- What does the world need that we can provide?
- What do we want to accomplish so that we are committed, aligned, and proud to be associated with this organization?

These are appropriate questions for us to ask as well. What about the Marriott School? What are we trying to do? What about our future?

WHY HAVE A BRIGHAM YOUNG UNIVERSITY?

To understand the Marriott School, we must step back and place it within the context of Brigham Young University. I quote from three of our modern-day prophets.

President David O. McKay stated: "Brigham Young University is primarily a religious institution. It was established for the sole purpose of associating with facts of science, art, literature, and philosophy the truths of the gospel

of Jesus Christ. Even more specifically, its purpose is to teach the gospel as it has been revealed in this age to the Prophet Joseph Smith and other leaders who have succeeded him. The ideal that should permeate all university instruction was tersely designated by President Brigham Young when he said to Brother Karl G. Maeser: 'Brother Maeser, I want you to remember that you ought not to teach even the alphabet or the multiplication tables without the Spirit of God. That is all. God bless you. Goodbye.'"¹

In that same address, entitled "The Church University," President McKay concluded: "It is the aim of the university to make students feel that life is never more noble and beautiful than when it conforms to the principles of the gospel of Jesus Christ."²

In describing characteristics that distinguish BYU from other universities, President J. Reuben Clark said: "This school has a dual function, a dual aim and purpose—secular learning, the lesser value; and spiritual development, the greater. Those two values must be always together; neither would be perfect without the other, but the spiritual values, being basic and eternal, must always prevail, for the spiritual values are built upon absolute truth."³

Finally, President Spencer W. Kimball, while addressing the BYU faculty and staff as a member of the Quorum of Twelve Apostles, said: "In all the world, Brigham Young University is the greatest institution of learning. There are many criteria by which a university can be judged and appraised and evaluated. The special qualities of Brigham Young University lie not in its bigness; there are a number of much larger universities.

"It should not be judged by its affluence and the amount of money available for buildings, research, and other facilities. It should not be judged by prestige, for there are more statusful institutions as the world measures status.

"The uniqueness of Brigham Young University lies in its special role—education for eternity—which it must carry in addition to the usual tasks of a university. This means concern—curricular and behavioral—for not only the 'whole man' but for the 'eternal man.'"⁴

The Marriott School of Management

Just as BYU is not just another university, the Marriott School of Management is not just another business school. First, it is unique because it is an integral part of Brigham Young University, fully accepting of BYU's values, culture, and environment. Second, the Marriott School is unique because of its special mission and the selected faculty, students, and staff who are engaged in accomplishing that mission.

The Marriott School is totally committed to the common aims of all education at BYU: "to develop students of faith, intellect, and character who have the skills and the desire to continue learning and to serve others throughout their lives."⁵ Thus, the expected outcome of a Marriott School education, as part of the BYU experience, should be "spiritually strengthening, intellectually enlarging, and character building, leading to lifelong learning and service."

The overall mission of the Marriott School, like the mission of BYU, is "to assist individuals in their quest for perfection and eternal life." More specifically, that mission is to provide a high-quality education that will prepare students to be effective managers and leaders in their families, organizations, churches, and communities, and to make a difference for good in the world. This preparation is enhanced by Marriott School faculty and students having an international perspective, entrepreneurial spirit, ethical behavior, and a commitment to lifelong learning. This preparation is provided in an atmosphere that nurtures the development of a strong testimony of the divinity of Jesus Christ and encourages the quest for perfection and eternal life.

In a very real sense, we should "seek to bring forth and establish the cause of Zion." To do this, we must become the best source of scholarship in the world on improving and leading human organizations. Our scholarship must seek wisdom through faith as well as study. If we are successful, we will contribute directly to the mission of BYU and the Marriott School. We

have a responsibility to make the Marriott School the best in the world, and that best must be in the Lord's view, whether or not *US News & World Report* agrees. Our mission is to build the kingdom of God on the earth, and we will do that most effectively by solving the problems of human interaction and organization that plague our society today. We must teach the people of the world how to organize themselves and live in a Zion society.

Leadership

You will note from the Marriott School mission statement that our focus is on *leadership*. It has been said that leadership is the most demanded and least available product in today's market. We recognize that leadership is inherently tied to learning, growth, and development. But how do we teach leadership? How do we create a learning environment conducive to the growth and development needed by our students?

There are at least three obstacles that inhibit us from teaching and modeling real leadership: narrow viewpoint, reactivity and resistance to change, and unclear vision and foundation principles.

At the Marriott School, we have carefully considered these obstacles and have tried to change our teaching paradigm. We aren't where we need to be yet, but we are making progress.

Areas of Focus

As we try to create a proper learning environment, we are concentrating on three main areas of emphasis: international, entrepreneurship, and values. We have established a center of excellence in each of these areas. We have asked these centers to take the lead in providing a unique educational experience for our students. These centers will also help us overcome the obstacles to teaching and modeling leadership mentioned earlier.

The questions we are addressing include: How can we prepare our students to be effective managers in an international setting? How can we help them incorporate their LDS theology and experiences into a knowledge base and skill set necessary to be successful global managers? How can our students

be infused with an entrepreneurial spirit so they are creative and energetic in taking advantage of opportunities as they arise. And how can Marriott School students expand and solidify their gospel-centered values in order to become a force for good in the world?

One of the essential values is integrity. We recently had Warren Buffet address our students. This is what he had to say to our students about integrity: "In looking for managers we basically look for three things: integrity, intelligence, and energy. If they don't have the first, the other two will kill you, because if you've got somebody who doesn't have integrity, you want them dumb and lazy. It's only if they have the first that the second two count."

Keys to Success

What are the key factors for the Marriott School to be successful in accomplishing its mission, in fulfilling its destiny?

First, the *students*. We are privileged to work with wonderful students. They are very bright, hard-working, and, with but few exceptions, provide marvelous examples of the gospel in action. They are the raw materials from which the finished product (effective managers and future leaders) can be molded.

To illustrate the quality of our students, consider the profile of our 1995-96 MBA class. Note that the average GMAT score is 629, placing our students close to the 90th percentile nationally. The average undergraduate GPA is 3.47 (on a 4.0 scale), and about 78 percent have full-time work experience.

The other Marriott School programs have similarly gifted students who are in high demand upon graduation. For example, all the large, international CPA firms recruit at BYU for our accounting graduates. Last year one CPA firm hired more than 50 students for 26 offices throughout the world. MAcc graduate placement is virtually 100 percent at graduation.

The second key factor is the *faculty*. While students are the reason we have a BYU in the first place, faculty members are the critical variable in assur-

ing that students receive a quality education. They are mentors, motivators, the means of developing the students' inherent potential.

We have 111 full-time faculty in the Marriott School. Ninety-seven percent have PhD degrees, and have been trained at some of the best doctoral-granting institutions in the country. Many have come to BYU, leaving excellent institutions or other opportunities, to assist in the special mission of this great school. And they bring with them national and international reputations in their areas of expertise.

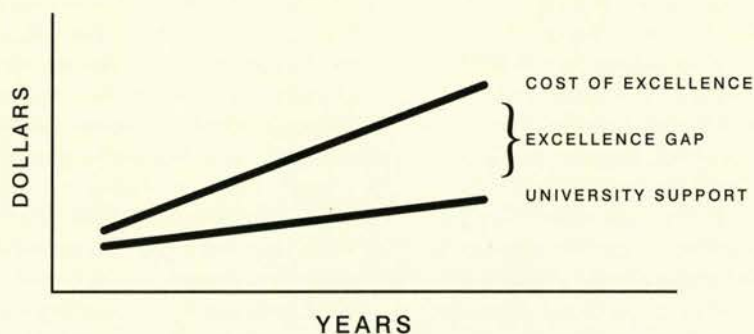
For example, Kim Cameron came to us from the University of Michigan. He is an expert in organizational change who has worked extensively with companies worldwide. Steve Albrecht taught at Stanford and the University of Illinois before joining our faculty a number of years ago. He is an expert on fraud and white-collar crime. Steve is also president-elect of the American Accounting Association. Dave Whetten came to us from the University of Illinois to direct our Center for the Study of Values in Organizations. He is

ment analysis, Gary Cornia in public finance, Eric Denna in "events-based" accounting and information systems, and Lee Perry in strategy. We have excellent faculty committed to teaching applications and scholarship of the highest quality.

The third factor is the *external support* provided by a variety of Marriott School partners: the National Advisory Council; the Entrepreneur Founders; the MSM Alumni Board; Management Society leaders; sponsors of the Insurance, Risk Management, and Financial Services Program; the Institute of Retail Management's National Advisory Board; and others. Volunteers in these groups assist in significant ways in providing financial and other resources as well as participating in the actual learning process with our students.

We are blessed to have consistent baseline financial support from the Church to run our programs. We do need additional resources, however, to achieve the excellence we seek. I refer to this as the "Excellence Gap," as shown in Figure 1.

Figure 1: FUNDING



president-elect of the prestigious, 15,000-member Academy of Management. The election of Dave and Steve to two of the most important academic organizations in the U.S. speaks very highly of the quality of our faculty. Ned Hill, an expert in electronic data interchange, came to us from Indiana University. Hal Heaton, recently returned from Harvard, is an expert in capital markets, especially issues relating to financial derivatives. Larry Walters is an expert in data envelop-

The external support groups help provide the resources needed for us to accomplish our "Vision of Excellence." I am pleased to announce that the Marriott School endowment has more than doubled in the last five years to about \$20 million. That is good progress. (Note, however, that other top business school endowments range from \$50 million to \$400 million, so we have a way to go.)

The fourth and final factor for us to achieve the excellence we seek is in

having innovative and state-of-the-art curriculum and programs that will develop the students' potential.

During the past several years, we have totally revised the undergraduate business program, the accounting program, and the MBA program. We have also modified other programs and made them current. We are continuing to re-examine the curriculum; we're asking various shareholders what is working and what needs to be changed and improved.

Let me illustrate with but two examples: the Mentor Program at the undergraduate level and the International Student Sponsors Program at the graduate level.

Several years ago we initiated a class for all business students that requires them to read a nonbusiness book each semester during their junior and senior years and to discuss the book with a faculty member in a small-group setting. Most faculty invite their students (15-20 in a section) to their homes for the discussion. The books are selected from an approved list. Having been unsuccessful in getting the committee to approve my Louis L'Amour favorites, I have read with my students Victor Frankl's great work, *Man's Search for Meaning*. This has been a wonderful experience for me to share and contrast the ideas of Frankl and gospel principles with students in our home.

This semester we are experimenting with an adjustment to that required four-semester sequence. During one semester, students can choose to have a mentor experience instead of the regular book-reading experience. The objective of the Mentor program is to assist students in establishing relationships with professionals who can provide guidance with career goals, academic and personal preparation, and networking. Students selecting this option are assigned a mentor from among the membership of our Management Society chapters in Salt Lake City, Provo, and throughout the world.

The mentor selects from among a menu of items and holds at least three sessions during the semester with his or her student. Examples include critiquing a resumé, having the student write a personal business plan, having a

mock job interview with the student, having the student write a brief paper on a current topic, having the student accompany the mentor for a "day on the job," discussing business and family issues, and so forth. The mentor then submits an evaluation to the school on a pass/fail basis for the class. We think the Mentor Program has tremendous potential to add value to the educational experience of our business students.

The second example is the International Student Sponsor Program, a special program designed to build the leadership of the Church throughout the world. This is a unique program. It brings young men and young women and their families to BYU's campus for two years. While here, these international students receive a first-rate, professional graduate education, one that emphasizes academic excellence as well as spiritual values. Upon graduation, these international students return to their home countries to exciting professional careers.

Future Challenges

As we look to the future, there are several significant challenges and important opportunities. Two are prominent. The first is to take advantage of technology. We now have the capacity to use technology in modifying how we teach and learn. Most of our faculty use e-mail, the Internet, multimedia, and other aspects of technology daily in their classes. Others of us will need to follow their lead because the future of education is tied closely to technological advances.

The second major challenge (and opportunity) is to begin leveraging the BYU experience throughout the world. This, too, can be done through technological advances in the form of "distance learning."

President Bateman, the board of trustees, and my associates in the Marriott School are exploring ways to expand learning models, using BYU as a hub for the educational experience. This conference is but one way to leverage our resources in providing continuing education to our shareholders. Other options are being seriously explored such as interactive video courses, learner-controlled CD mater-

ial, satellite- and telephone-based course delivery, and so on. I am convinced that there will be exciting developments in these areas in the not-too-distant future.

Conclusion

I was asked to address the future of management education in the Marriott School, to provide you with a perspective of our vision of excellence. It has been said that the best way to predict the future is to create it. That is what we are trying to do. In that process we have adopted three critical values:

- That which we do should be world-class;
- We should seek to improve continuously;
- We should make a unique contribution, consistent with our mission.

We have been given sacred tithing funds with which to operate; we have collected a set of well-trained, committed faculty; we are blessed to work with bright and wonderful students; and we have a unique mission and shared values that unify us. We are convinced that the result can and will be the future leaders the world so desperately needs.

We recognize that vision without action is merely a dream, and action without vision just passes time. We have a vision of excellence. It links inseparably the secular and the spiritual.

As I stated at the outset, the aims of a BYU education are to be "spiritually strengthening, intellectually enlarging, and character building, leading to lifelong learning and service." That is our commitment. We appreciate your support. Working together we can make a difference. ■

Notes

- 1 David O. McKay, "The Church University," *Messenger*, vol. 11.
2. *ibid.*
3. J. Reuben Clark, as quoted by Harold B. Lee in "Installation and Charge to the President," Inauguration of Dallin H. Oaks, 1971.
4. Spencer W. Kimball, "Education for Eternity," address to Brigham Young University faculty and staff, September 12, 1967.
5. From *The Mission of Brigham Young University and the Aims of a BYU Education*, Brigham Young University, 1995, p. 3.

This is an edited version of the address delivered by Mark Willes, chairman and CEO of The Times Mirror Company, on June 20, 1996, at the Marriott School's annual management conference.

I've been asked to talk about principles of successful leadership. It is presumptuous of me to speak on such a subject. I hope that you will take it in the spirit of a work in process.

About two-thirds of you are involved in profit-making organizations. The other third are students or professors or work in nonprofit organizations. I dare say virtually all of you are involved in families. I'd like to suggest that the principles of successful leadership we're going to talk about for a few minutes apply in every one of those spheres.

I'd like to focus on five principles of successful leadership: the need to be focused, the need to set high standards, the requirement that leaders must lead, the imperative to build trust, and the need to kindle passion in what we do.

Be Focused

It has been my experience that complexity and diversion are enemies to success. Large, complex organizations of any kind seem to be very difficult to run. In my judgment, the day of the conglomerate is over.

More than 10 years ago we did a study at General Mills of all publicly traded corporations. At that point, there were about 6,000 traded on the major national exchanges. We



decided to try to understand the characteristics of those organizations that met the financial hurdles we had set for ourselves. We excluded all companies that did not have a return on equity of at least 19 percent; we excluded all companies that did not have 10 percent growth in earnings per share; we excluded all companies that were less than \$500 million in size, because we were a multi-billion-dollar corporation and small companies didn't seem like the right comparison; and we excluded all companies that had debt to total capital of 50 percent or more, because we didn't want to achieve earnings performance as a result of leverage. Using those very simple criteria, we reduced 6,000 publicly traded companies to 88.

We then took those 88 companies and analyzed how many different industry segments they operated in. In other words, did they focus on one or two primary businesses, or did they try to spread themselves across a number? At that point, we were in five different industry segments. We found, of those 88, there were only 10 that were in at least five different segments. In other words, of all major publicly-traded companies, only 10 were as complex as we were and were able to achieve the financial performance we had set for ourselves. Conversely, 35 of those 88 were in only one business segment. Sixty-five percent of those 88 were in one or two different segments.

Now, one could not get a PhD dissertation from that simple analysis, but it had a profound

A black and white photograph of a person in a suit climbing a tall, narrow ladder. The person's legs and feet are visible as they ascend. The ladder is made of metal and extends from the bottom left towards the top right. The background is a cloudy sky. The title 'Principles of Leadership' is overlaid in large white text on the right side of the image.

Principles of Leadership

by Mark H. Willes

PHOTO BY BRAD SLADE

effect on our thinking about the complexity of organizations, and that was the beginning of the large-scale divestitures we made to simplify the company so that we could focus on those businesses we could run best.

That was more than 10 years ago. Since then, virtually every corporation in America has done the same thing, and you have seen massive restructurings as company after company has decided to focus on what it does best, and the consequence in many cases—not all cases, but many cases—has been a significant improvement in performance.

We are likely to be more successful if we run something simple than if we run something complex. We're likely to be more successful if we don't get diverted and can focus on our central purpose. This idea of focus works in families; it works in churches; it works in every business organization I know of.

Set High Standards

Setting high standards sounds very simple. It's remarkable how seldom this is done. It's also remarkable how important this is, because in the process of setting high standards for performance, we virtually force ourselves to engage in relentless and discontinuous change—relentless, because the world around us is always changing, and in order to stay current we have to be always improving; discontinuous, because if we have set a high standard, we are far away from that standard and we can't get there by making small incremental changes.

I tried to make this point when I joined *Times Mirror* just over a year ago. I told them a story that they thought was a cute story, but they didn't see the relevance. At General Mills we made cereal, cake mixes, frosting mix, and all kinds of things. We had nine plants scattered around the country, and every time we changed package size or changed to a different product on one of our production lines, it took about three hours to stop the line, clean it, reconfigure it, and start it up again.

People responsible for our manufacturing facilities decided they would set a high standard of performance. The way most of us would go about that is to say, "Well, it takes three hours. I wonder if we can get it down to two and a half. That

would be a wonderful improvement. Maybe we could get it down to two hours, a 33 percent improvement. Wonderful, marvelous." But they said, "It now takes us three hours. The new standard will be 10 minutes."

By saying that, they immediately made it impossible to do things the way they were currently doing them. They had to completely rethink the process. There was nothing in our plants and operations to teach us how to do that. So they went out to the NASCAR race tracks. Have you ever watched a pit stop at one of these races? The cars come in, the wheels come off, the gas goes in, the wheels go back on, and they're out of



there in seconds. Our people took videos in the pit stops, then tried to apply the principles they saw there to changeovers on our packaged food lines, and, yes, now the changeover takes 10 minutes, because they completely changed the way they did things.

I told that story to our people at *Times Mirror*, and, as I suggested, they thought it was a cute story. Many of them did not understand it was about to apply to them. In the last 12 months since I joined *Times Mirror*, we have exited the cable television business, the consumer multimedia business; we've closed down *New York Newsday*; we've reduced staff in virtually every department and operating division in the company; we've stripped out layers of management to the point where I personally have gone from two direct reports to nine, and everybody

else has done the same; we've completely changed the incentive-compensation program; we've launched activities to increase innovation; we have set goals to increase earnings per share by 50 percent this year, 40 percent next year, and 30 percent the year after that. By the way, we'll do 70 percent this year rather than 50 percent, and we've set a target to increase our return on capital by 100 percent from 6 percent to 12 percent in three years. Now they're beginning to understand what discontinuous change means. In the process of doing that, our stock price has gone from 18 to about 44, which is an increase in our company's market value of more than \$2.5 billion. It does work.

Leaders Must Lead

Given the number of people in leadership positions, the number of books written about leadership, the number of presentations like this given on leadership, the number of articles written about leadership, the time and energy spent thinking about leadership, it is remarkable how few leaders really lead.

Please forgive me if you've heard this story. At General Mills, among other things, we were in the restaurant business. We owned Red Lobster and Olive Garden and a few other restaurants. One Friday evening at about 5:15, I went to one of our Olive Garden restaurants in California.

On a Friday evening, an Olive Garden restaurant should be about three-quarters full. By 6 o'clock there should be a one-hour waiting line. By 6:30 the waiting line should be about an hour and a half. When you get to the entrance, somebody should throw open the door, say, "Welcome to the Olive Garden," you should go in, then you should wait an awfully long time, but by the time you've had your dinner, the wait seems worth it because the hot food was hot and the cold food was cold, and the price was right.

We walked into this Olive Garden restaurant, 5:15, Friday evening. There were three people in the restaurant; nobody at the door to greet us. We stood around in the lobby and waited for somebody to finally wander out and say, "Can we help you?" Why were we there if they couldn't help us? Of course, we'd like to

have dinner. At that time I was president of General Mills, and I had with me the man who was responsible for all our restaurants. You can imagine he was getting a little nervous at this point.

We sat down to have what we hoped would be a wonderful meal. Since there were now only five of us in the restaurant, we should have been able to eat in about 40 minutes. It took us an hour and a half. The hot food was not hot, the cold food was not cold, there was food on the floor, the sun was streaming in our eyes. We asked the waiter if they could maybe pull the drapes or do something so the sun wasn't in our eyes, and sure enough, 30 minutes later, somebody took care of that.

It was absolutely the worst experience I have ever had in any restaurant, and the bad thing was, it was one of our restaurants. So after we'd finished this excruciating experience, we asked if the manager would come and see us, and the waiter said, "Well, I'm sorry, the manager isn't here." Now, if you know

ally not quite such a busy night. As we walked up to the door, the door flew open, and somebody said, "Welcome to the Olive Garden." We went in. The place was full, the hot food was hot, the cold food was cold, and it was an absolutely wonderful experience. The servers were having a great time, people were bustling around, the place was clean, the food was wonderful, the service was great—it was the kind of experience we expected to have in one of our restaurants.

After we'd had our meal, I called the new general manager over. I said, "Let me ask you a question. The change in this restaurant in 28 days has been absolutely remarkable. I assume you have about 110 employees here, is that right?" He said, "Yes, that's right." I said, "Of those 110 employees, how many did you have to fire to get this change in performance?" "One." I hope it was that assistant manager. All the rest was a matter of leadership. It was a matter of setting standards, of

the most difficult thing that any organization faces in today's world. It is clearly true for Times Mirror. Whether it's a great story in one of our newspapers, a great innovation that leads to a new business, or the millions of things, old and new, that must be done every day for us to be successful, it all starts with the ideas and commitment of our people. Because of the changes we have made in the past year, however, trust in our organization has been diminished. If we are to be successful, we must refill that reservoir of trust.

Kindle Passion

I'm not talking about romance here. Neither am I talking about "lean and mean." One of the great detriments to American business, in my judgment, is this idea of "lean and mean." It is inconceivable to me to think that we can get the best out of any of us, let alone all of us, in an environment that is mean. People will work for money, but

People will work for money, but they will die for something they believe in deeply. They will give their all for a cause to which they are committed.

anything about the restaurant business, you know that all of the profits are made on the weekend. That's when managers are there. This manager was not there.

We said, "All right, is the assistant manager here?" Well, sure enough, there was an assistant manager there. We called him over. The head of our restaurant division started talking to him about the food on the floor and the lousy service and all the other things that had taken place, and he was kind of looking off in space, like he was on something. By this time, I was about ready to hit the ceiling; my associate was already on the ceiling. He could hardly stand it. As we walked out the door, I said to my friend and associate, "You've always told me how responsive the restaurant business is to leadership. We're going to come back here in 30 days. I want to see what you can do."

By the time we got to the car, he had the president of the Olive Garden chain on the phone and told him what the problem was. We went back in 28 days. We wanted to surprise them. This was a Thursday night, not a Friday night, usu-

giving training, and then holding people accountable to meet those standards. Leaders must lead.

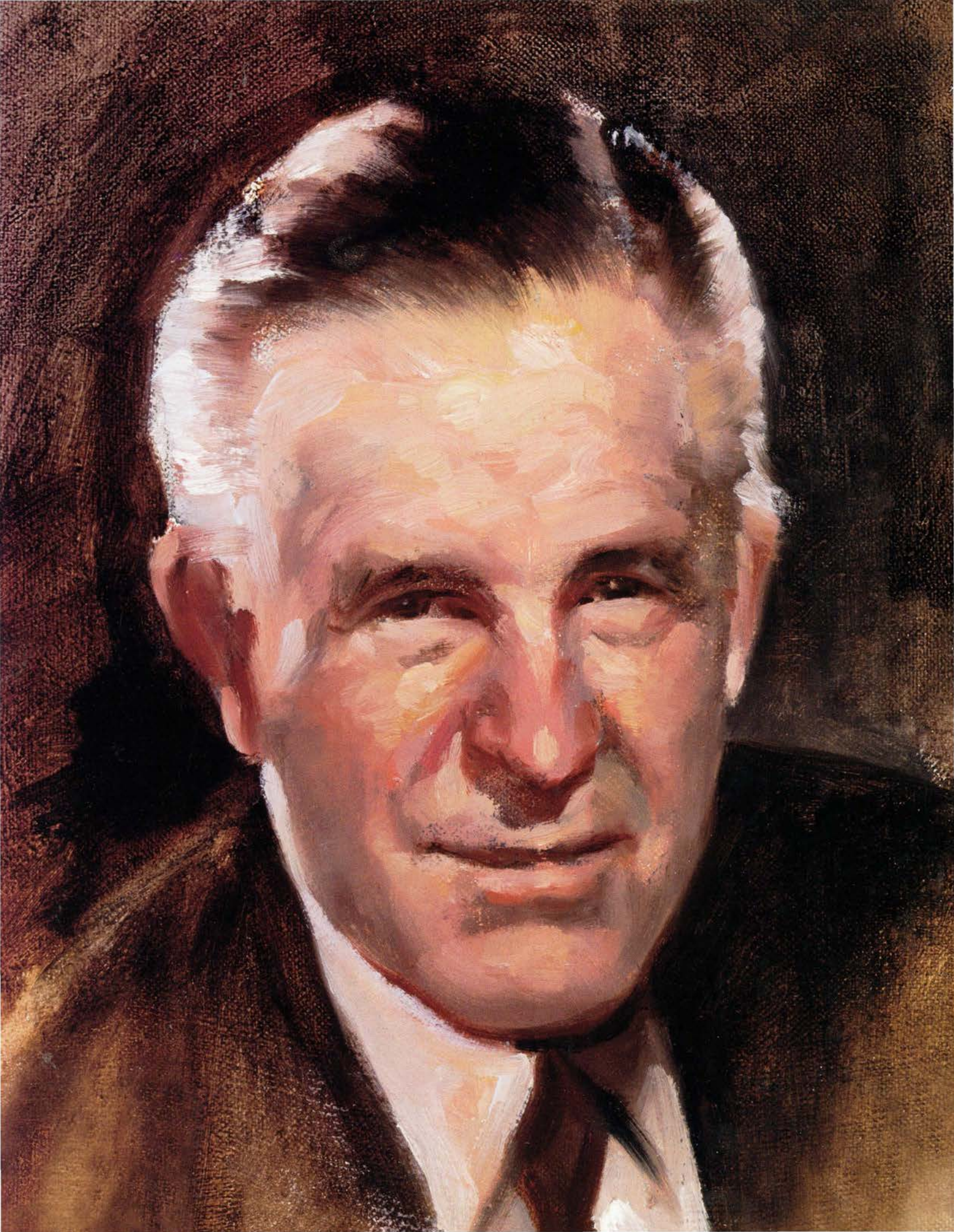
Build Trust

Building trust is one of the most acute problems and dilemmas in corporate America. Increasingly, it will be a problem in all organizations. The world is constantly changing, and as organizations adapt to that change, they will always be in a state of flux; and as competition increases, the pace of change also increases. The disruption of change in our organizations will therefore take place at an accelerating rate. Therein lies the dilemma, because in order for us to be successful, we must have the best ideas and commitment and enthusiasm and creativity of our people; and yet the changes that will ensue will be disruptive to the lives of the very people we're counting on to drive our growth. As we disrupt their lives, we will cause fear and concern and a reduction in trust and loyalty.

This dilemma, in my judgment, is

they will die for something they believe in deeply. They will give their all for a cause to which they are committed.

Our people at Times Mirror are excited; they are proud; they make a difference. If a leader is to lead, he or she must kindle the passion of the organization, give energy rather than take it away, and help people feel purpose. If we can do that, if we can do all of the things that we've talked about, and I'm sure there are many more, we can be successful, whether it is in our homes, in nonprofit organizations, in corporations, in government, wherever it may be. You can see why I'm so excited and proud to be a part of the corporation I'm now associated with. You can also see why I've been so proud all these years to be associated with BYU and specifically with the Marriott School of Management. Dean Skousen and his associates and those who have gone before them have exemplified all of these principles of leadership, and I have watched with admiration the remarkable job they have done. I hope we can all be the leaders we were intended to be. ■



GEORGE ROMNEY: A CITIZEN FIRST

BY W. MITT ROMNEY

The Institute of Public Management named the late George W. Romney, three-time governor of Michigan, as Administrator of the Year for 1996. The award was presented by Lawrence C. Walters, chair of the Institute of Public Management, to W. Mitt Romney, who accepted and spoke on behalf of his father. The following address was given by Mitt Romney at the 1996 Administrator of the Year Awards Dinner, March 22, 1996, at the Provo Park Hotel.

It is an honor to receive this award in my father's behalf and to have so many family members here. They asked that I say what my father would have said if he were here. I can't do that very well, so I'm not going to do it for very long.

What My Father Would Have Said

What would he have said? I've read the addresses he gave over the last several years and have a pretty good idea what he'd say if he were here this evening speaking to people who are considering a career in public administration. He'd begin by telling you that America is facing the greatest crisis it has ever known—a crisis which it may or may not overcome.

He'd say that John Steinbeck looked at this country and said that no other nation has been blessed with abundance, comfort, and leisure and remained great. He'd say that Arnold Toynbee, the great British historian who surveyed the history of the great cultures of the world, concluded that every nation that fell committed suicide.

He'd say that George Kennon, an author who was a great strategist in world affairs, concluded that America has become a sick society. It has become sick because of the disintegration of family structure, sick because of rampant births out of wedlock, and sick because of widespread immorality and lack of understanding the true basis of our established freedoms. Kennon also suggested that America is sick because of the pockets of extreme poverty that exist in the country, and sick

because of the growing number of children who are uneducated and unable to be educated because of their negative family environments.

Finally, he'd say that Republicans believe all these problems could be solved by turning them over to the free market, while Democrats think the solution is developing government programs that can make things better. But neither has worked. The private sector can't solve all our problems, nor can the government sector. Volunteers—people helping people—are essential to solve the fundamental problems in this great country. Volunteering can help us as a nation overcome the greatest challenge we have ever known.

"Only people can solve people problems." I've heard him say it hundreds of times. To those entering public service he'd say, "Congratulations." To those entering business, the private sector, he'd say, "Congratulations." Yet don't forget that it is the voluntary sector—churches, charities, and individual volunteers who reach out to others and lift them one by one—that is essential in order to keep this country the great nation it has always been.

He believed strongly in the prophecy of Joseph Smith that the Constitution of this great land would hang by a thread. He believed that this was occurring even today. He had never thought, however, that his being elected president of the United States was the way the prophecy would be fulfilled. He did not think that he was going to be the elder of the Church who was going to save America as it hung by a thread.

No, he believed firmly that the elders who would save the Church sit in this room and everywhere throughout the Church.

He believed that the prophecy would be fulfilled by men and women who work in their communities to lift one another; who encourage, lead, support, and help Girl Scouts and Boy Scouts; and who volunteer their talents to help people who are less advantaged. That is the only course that brings people back to the greatness that has always been part of America. That's what he'd tell you. And I believe every bit of it, by the way. It's just as important to me as it was to him, although he devoted his life to preaching that message.

Theoretical and Practical Learning

I'd also like to offer a little case history and example. I'm a believer in learning from other people's lives. After I left Brigham Young University, I went to Harvard Business School. When I got there, I found that everything was taught through the case method. Can you imagine learning accounting without any textbook, without a text to teach you what a credit or a debit is? Instead of using texts, we read about real companies and tried to figure out how they accounted their results. That's how we learned everything. I've since come to believe that if you learn only in a theoretical sense, you can end up with knowledge that isn't very helpful.

Felix Frankfurter, a former Supreme Court justice, used to give many speeches. His wife used to say that he had only two faults in giving his speeches: one was occasionally diverting from his text; the other was returning to it.

Let me divert from my text and tell one of my favorite stories about theoretical and practical learning. An MBA student from the University of Utah was alone on a field trip for his agricultural economics class when he encountered a farmer who had a large herd of sheep. The student, a betting man, went to the farmer and said, "If I can guess the number of sheep in your herd, can I have one?" The farmer said, "Well, that sounds fair. Go ahead and take a

guess." The student said, "1,132." The farmer said, "Unbelievable! How did you do that?" The student said, "Well, do I get one of your sheep?" "Sure enough," said the farmer. The student picked up an animal and started to walk away. The farmer said, "Wait a second. If I can guess where you go to school, can I have my animal back?" The student said, "Yeah, that's probably fair, okay." And then the farmer said, "You are in the University of Utah's MBA program." He said, "That's amazing. How did you know?" He said, "Well, put down my dog and I'll tell you."

Integrity

We learn, I believe, more powerfully through examples than through theories. I submit that if we study the life of George Romney, we will find lessons that are virtually unique. Were you were to follow in his footsteps, you would find your life happier, more fulfilling, and you would leave with a richer legacy. You would meet your Maker having fulfilled the mission for which you came to earth. I can't take you through all the aspects of my father's life, but I can reduce it to one guiding principle: integrity.

We often say the word integrity, but we know little about its meaning. I didn't think much about what integrity meant until several years ago when some people in my firm were asked to go to California for a team-building session conducted by behavioral psychologists. On the last day of the seminar, one of the psychologists said, "By the way, if you don't live your life with integrity, you will have higher levels of sickness, disease, marital disfunction, and problems with children, and you will be generally unhappy in your life." This was a strange thing to hear from these psychologists. They went on to say that integrity is living your life in a manner consistent with your most central and fundamental values. I looked around the room at my partners and thought, "I wonder what their fundamental values are." How do you find that out?

The psychologists said, "Let us tell you how you find out your core values. Take out a piece of paper and write

down the names of the four people who have ever lived whom you respect most. They may be entirely different people; take them from different backgrounds if you can. Write down the names of four people, and then next to the names of those four people, write down one or two values you associate with that person. Then look down the list and note those values that you repeat time and time again. Those are your core values. Those are the people you respect most and the values you respect most, and if you live in a way that is consistent with them, your life will be in harmony. But if you live differently from your core values, you will suffer stress, sickness, pain, and discord in your life."

It came immediately to my mind whom my father would have written down as the four people he respected most: of course the Master, and Joseph Smith, and then perhaps Abraham Lincoln and Thomas Jefferson. The values, of course, would have included an unwavering love and desire to serve our fellow beings and a willingness to speak one's mind and take action on the first value, which is love of others. That is what characterized his life.

A Citizen First

You can say, "Well, that's the guy's son up there, so of course he's going to say that." So I brought some proof. I have a book that I'll call Exhibit A. My sister-in-law collected articles written about my dad following his death. As you can see, it's a whole book. Even more remarkable is that the articles detail not just a life of accomplishment, but a life lived consistent with his basic values, the things he treasured most.

Let me read a couple of excerpts. They come from the Detroit News and the Detroit Free Press. At the time my father passed away, both newspapers in his hometown were on strike; all the writers were out. When they heard he had passed away, some of them returned to the newspaper and said, "We want to write an article. We want to write about him because he was terrific."

Don't forget that he had been governor in the state of Michigan 33 years before his death. I called my brother, wondering whether the story of his

death had made it to the front page; when I got home I found out it was the entire front page. The headline was "A Citizen First." The article went on to say that "George Romney, who died Wednesday at the age of 88, was a man of such persistent principle, such passion for the public good, and such commitment to community that even few of his enemies doubted that he was a genuinely virtuous person. Even if or when you disagreed with him, it was not hard to believe that George Romney was acting on the strength of his principles. More than anything else, he conveyed a strong sense that he was a man of strong moral compass."

Let me turn to another page in another newspaper, to an article by David Broder, a national columnist in Washington, D.C., who concludes, "Romney was absolutely unique. He would look a problem in the eye, take it by the horns, throw it down. We could use some more people like George Romney today."

In another paper we find the headline "George Romney Was a Rare Breed: Devout, Principled." Interestingly, they begin with "devout." "Never," the article reads, "was he embarrassed by his faith. In any public setting, in any business setting, always people recognized that his faith came first. Devout, principled, that classic Jeffersonian citizen, a problem-solver, a shirtsleeve worker, a liberal in his treatment of fellow humans, a conservative with other people's money, a leader, not a manipulator. They didn't make many like George Romney; they're making fewer today. Americans need to only read his life story and absorb and internalize it."

With the article was an interesting political cartoon of a man with a huge jaw. We have this problem in our family; I once got in trouble with that. I got in the elevator late one night at the Hotel Utah. I threw my bag in as the elevator door was closing, and it opened to reveal President and Sister Kimball. Can you imagine how embarrassed I was? I introduced myself, and President Kimball said, "You look like a Romney." I responded, "Thank you, I guess." He said, "What do you mean, I guess?" I said, "Well, we Romneys have such huge jaws." He

looked at me and said, "Camilla is a Romney." I apologetically exited the elevator.

The political cartoon of my dad has a shadow, and it reads, "The lengthening shadow of a man—faith, character, leadership, service, remembrance." The cartoon is headlined, "Romney's Legacy." What is your legacy, young men, young women? What will it be? What will they write about you? I've looked at elements of my father's life and asked myself, "Have I acted like that?" Have you? Think about this as you pursue your career.

A Matter of Principle

As a young man after the war in 1947, my father was just beginning his career by working for a trade association. He was struggling to ingratiate himself in the business circles of his profession. Americans didn't want to get involved with Europeans; they had their own problems after the war, and they had heard about all the troubles in Europe. Americans were fond of saying that the Europeans had gotten themselves in their own mess with their failed monetary policy. About this time my mom and dad went on vacation to Europe, where they saw much suffering and hunger. After that my father returned to Michigan and began campaigning for aid to people in Europe. He appeared before a Senate committee and said, "We're all like billionaires living in a few mansions in the middle of a vast world ghetto. Too often our actions belie our words." Would we be bold enough to risk our careers for our principles?

In 1957, then a successful business executive, he formed a citizen task force to study Detroit's school problems. This task force thought of some relatively novel and unpopular ideas that are common now, but were unusual then. He said, "Catholic schools in Detroit are working. We ought to provide additional tax benefits to them." In a highly Protestant area like Detroit, that was an outrageous idea. Then he said something else: "We ought to raise some taxes for our schools that need more money." And he went and did just that!

Running for governor in 1964, he was in a tough race and needed the

support of the party regulars. He concluded, however, that he couldn't support the party's nominee for president, Barry Goldwater, because Goldwater had equivocated on civil rights. His staff and his friends begged him to say, "I endorse the candidate." What could be wrong with that? It doesn't take a lot to say, "I endorse the candidate." Who cares anyway whether some guy running for office endorses their presidential candidate? One of my father's friends, Max Fisher, who was the head of fundraising, recalls that Dad said to him, "Look, Max, it's a matter of principle, and whether I go any further in public service or not, I'm going to stand my ground." As governor he fought for (can you believe it?) the first state income tax, something very unpopular at the time. He fought for it, however, and got it, and was even reelected after he had done it.

As a presidential candidate he believed that the United States military and government had brainwashed American citizens about the purpose and success of Vietnam. That did little to help his candidacy, but he said it, believed it, and repeated it often. As secretary of Housing and Urban Development, he said that public housing was a disaster and we ought to turn it over to private citizens. That was a long time ago, and people are saying it again today. I never saw my dad dance with the devil of popularity, and I can never recall hearing him regret telling the truth. How much happier, more fulfilling, more meaningful our lives could be if we could do likewise.

When my father was a young boy his mother died. Later, as a young man, he prepared himself to go east, where he planned to work. People in Utah were concerned about what it would be like for him in the East and what would happen to him there. He hadn't finished college because he couldn't put together the money or the time to do that, but he prepared to leave anyway. He asked my grandfather, "Dad, can you go with me to the gravesite where mother is buried?" At the grave he said, "Father, this is as close as I can come to you and mother in mortality. I want you to know I will never do anything to dishonor your name." May we be wise enough to do the same. ■



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