EXCHANGE

THE CHANGING FACE OF

BUSINESS COMMUNICATION

Expanding Educational Opportunities

THESE ARE exciting times at BYU. We are in the middle of an extensive self-study and strategic initiative. The campuswide self-study is part of BYU's regional reaccreditation, but will also result in an operational strategic plan for the university. This thorough evaluation of the university is divided into five distinct tasks: (1) *program- and unit-level self-studies*, which all departments, colleges, and administrative units are participating in; (2) *an analysis of BYU's external environment* to identify external elements (such as the internationalization of the Church) that are likely to have an impact on the university in the future; (3) *an evaluation of institutional strengths and weaknesses*, including such areas as human, financial, personnel, facilities, climate/culture, and image dimensions; (4) *an assessment of individual values and aspirations* to identify not only common values in the university community, but also areas where there may be different views and aspirations; and (5) *the development of criteria to be used in evaluating academic programs*. Specific committees have been assigned to perform tasks two through five. Ned Hill, director of the Institute of Business Management, is chair of the personal values group, and Gary Cornia, associate dean of the Marriott School, serves on the strategic planning/self-study committee. We are excited about this opportunity to exercise a new degree of self-government and chart a course for increased excellence in our educational mission.

Our evaluation of Marriott School programs and potential has led us to look more closely at expanding opportunities in executive education. We already have executive MBA and MPA programs, but we are committed to extending more of our resources to the business community. Thus, we had our first accounting conference last fall and will have our first annual business conference in June 1995. The business conference is an idea that many of you apparently have been waiting for. As of May 1, more than 700 individuals have registered. With presenters such as Elder L. Tom Perry of the Council of the Twelve, San Francisco 49er quarterback Steve Young, New York Knicks president David Checketts, author and lecturer Stephen R. Covey, BYU football coach LaVell Edwards, Times Mirror President and CEO Mark Willes, Host Marriott Corporation Chairman Richard Marriott, and several of our own outstanding faculty members, this conference is guaranteed to be a marvelous experience for those attending.

We have looked at other educational experiences we can offer Marriott School alumni and friends. Possibilities include "distance learning," company-sponsored programs, community seminars, and other ideas that will come from the work of a task force assigned to explore this area. We have hired Kim Cameron to assist us in exploring executive education opportunities. Kim will join us in the dean's office as an associate dean. He brings a wealth of experience from the University of Michigan, a leader in business executive education.

With this issue of EXCHANGE, we welcome back as editor Roger Terry, who was an instructor at the Marriott School for nine years and also edited EXCHANGE from 1987 to 1990. After being away for nearly five years, he is excited to be back with us on a part-time basis and brings with him an unusual blend of editorial, academic, and entrepreneurial experience.

In this particular issue of EXCHANGE, we are pleased to have a variety of informative articles from faculty, alumni, and friends of the Marriott School. Lee Perry and Eric Denna advise us not to throw away business process reengineering as just another business "fad," but instead to retrofit it to our businesses to make them more competitive. Nicholas D. Wells, a Marriott School alum, addresses the "Changing Face of Business Communication" and shows us how technology is altering the way we "talk" to each other in our work. Marvin P. Evans of the Kemper National Insurance Companies takes some of the mystery out of quality. And, finally, Lynn Martin, former secretary of labor under George Bush, visited with our graduate students just before the November elections and talked with them about challenges they would face in our changing world. We thought our alumni might be interested in her remarks, so we have printed them for you.

We publish EXCHANGE as a service to our alumni, to keep you informed of new developments at the Marriott School, to pursue through written word our commitment to expand knowledge in the world, and to keep in touch with you, because you are, in a very real sense, part of our family. We hope your lives are happy and rewarding, and we hope to hear from you.

K. Fred Skousen
K. Fred Skousen
Dean, Marriott School of Management
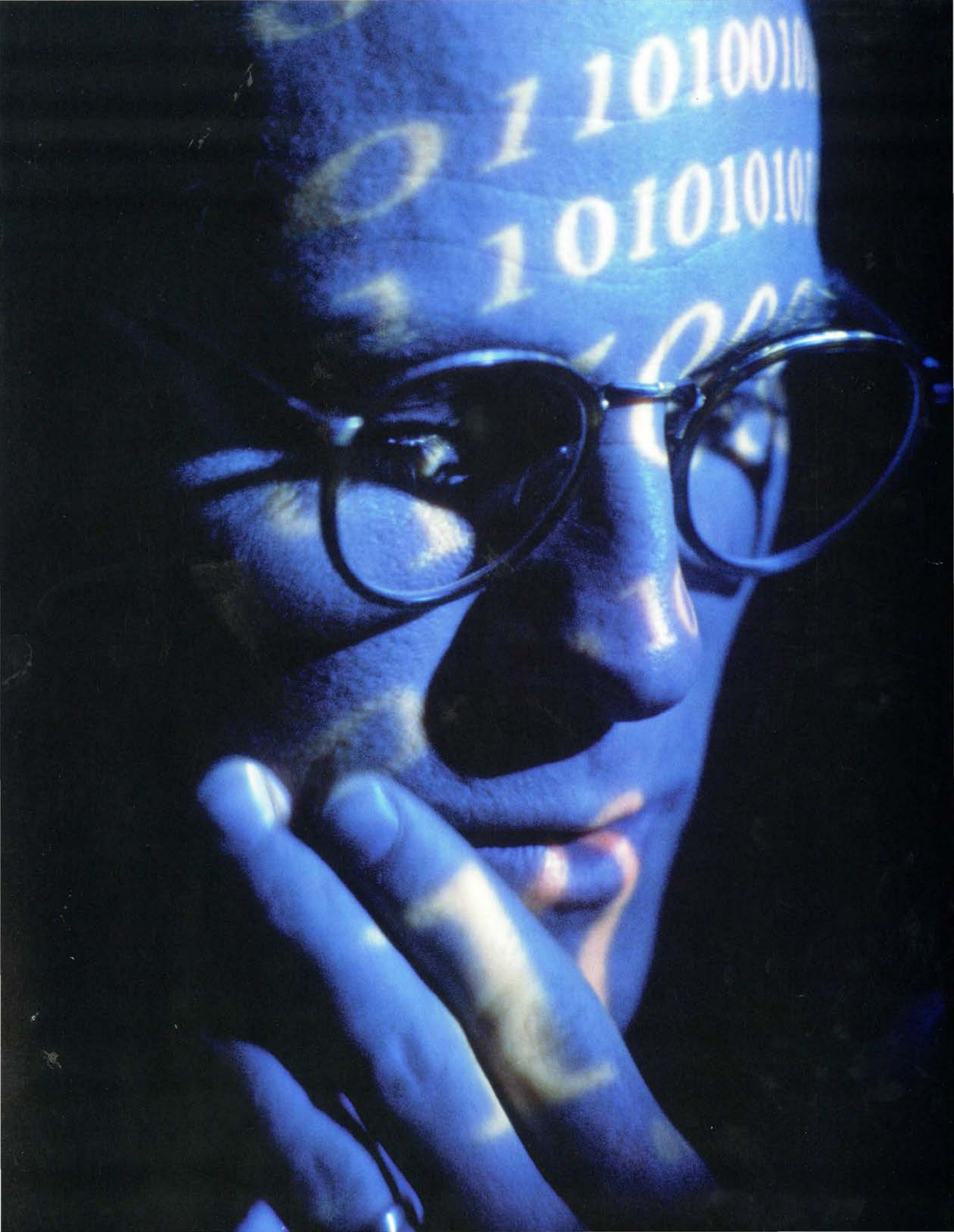
EXCHANGE

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THE CHANGING
FACE OF
BUSINESS
COMMUNICATION

BY NICHOLAS D. WELLS

Nicholas D. Wells received his MBA from the Marriott School in 1993 and now works as director of technical marketing at Caldera, Inc., in Orem, Utah. He can be contacted at Nicholas.Wells@caldera.com

In the 1830s, when the first sewing machines were being introduced, it became a matter of pride for business leaders to renounce the **new devices** as an evil that would leave thousands of families without means of support, because most clothing was made by women working at home with a needle and thread. Yet with populations booming, the need for the new devices became more and more evident. **Forward-looking** businesses accepted the "evil device," changing the textile industry completely and providing thousands more jobs in industries that were never imagined when the sewing machine was first introduced.

The last few years have seen the emergence of great changes in the ways businesses communicate. First, **fax machines** began appearing in every office; about the same time Federal Express removed the excuse of mailing delays from the business world. More and more companies began exchanging data electronically to improve productivity. Many firms also began **videoconferencing** between sites to save travel costs and communicate more frequently. Of late, electronic mail (e-mail) addresses are appearing all over letterhead, business cards, and advertisements. You can't pick up a publication without reading about the growth explosion on the **Internet** and why you should join the fracas.

Although no one would downplay the importance of communication to the vitality of a business enterprise, fear of the unknown may lead some to rail against the "sewing machines" of our day, which continue to change the very heart of how business is transacted. This article examines four facets of the changing models of business communication that will help you understand how your organization can benefit from the dramatic changes that are already occurring **worldwide.** You will find questions at the end of each section that you might want to ponder as you plan the future of your own organization. **PHOTOGRAPHY BY BRADLEY SLADE**

When we speak of new technologies or new methods of communication, we are speaking generally of electronically linking the world, and the acceptability of using electronic links in conducting all types of business.

The heart of all of these new technologies is the same: removing barriers of distance and time, lowering costs, and improving the overall ability of people to communicate their thoughts and needs. These ideas form the basis for several of the sections below.

The Importance of Information

In his landmark book, *Future Perfect*, Stanley M. Davis explains that "matter is not all that matters" and that value will be added in the future from intangibles—information being the major intangible and the basis for most of the others. Business managers who wish to pull ahead of competition will need to concentrate on these intangibles. If Intel can reengineer a microprocessor to double its speed every few years, what can it do for its customers between those jumps in performance? Intel (and its competitors) must use information about its customers, their needs, and their methods of using Intel products. With this information, Intel can add value through improved service and support, improve tools to increase the usefulness of existing products, and develop processes to reduce potential problems in existing technologies.

In the opinion of many futurists, information is the factor that is making the entire economy look like a service industry, as the Intel example demonstrates. Major product releases occur infrequently, and most competitors in similar industries soon have technologically similar products (if one were vastly superior in technology, the others would not survive). Consequently, between major breakthroughs, all companies are judged on the same basis: How do they use information to benefit their customers. In effect, they become service industries focused on servicing their products. Thus, the ability to locate information in a timely manner and to distribute it through the correct channels to the correct people is paramount.

Businesses that historically were known for products are now seeing the importance of information in maintaining an edge over competition. Information becomes a possible value-added item for all types of businesses. In most cases, the cost of finding and using information in improving customer service or product quality is less than the cost of engineering a new product with completely new ideas.

Like businesses, individuals are beginning to realize the valuable role information plays in their careers and personal goals. This truth is similar to the importance education has always played in making a successful career, but it stretches further, because we must continually treat information as an ally in making decisions.

How does this affect my product planning, marketing emphasis, financial valuations, and calculations about the worth of pursuing certain projects?

The Breadth of Information

In ages past, great discoveries came from those who saw insights across disciplines, like Isaac Newton "inventing" calculus to solve physics problems. Yet we often have to specialize to such a degree that we lose the benefit of a cross-disciplinary knowledge base. Broad access to information makes us more able to use a generalist's understandings to solve the problems that our specialists face. For example, we can search all medical journals for references to lasers or cigarettes, review or search all White House papers for medical references, or check the complete federal budget.

The amount of information available both to individual contributors and to all levels of management continues to take our breath away. The metaphor of a fire hose is often mentioned. Any type of technical or product information, private or government statistics, or entertainment of any kind either is now available or will soon be available from a desktop computer, free or for a fee. Putting this information in the hands of everyone, instead of only those who have the time, skill, and systems to find it in obscure places has a profound effect both on manage-

ment style and on the productivity of individual contributors.

Of course, the fire hose has a downside. Like a child in a candy store, information workers find they can spend their days snatching up "mind candy" without ever getting down to the task at hand. Highly efficient searching and browsing tools are not widely available for on-line systems; in the meantime, browsing through the electronic stacks to find what is relevant to your work can be as engrossing as picking up the latest business or science magazine and can consume hours.

Security is always a concern as well. With more on-line information available, the risk increases that information will be used without compensation or by the wrong people. Organizations often rush to place information on-line long before they understand either how valuable that information is or who will be able to access it. Even something as simple as reading an employee's e-mail has raised red flags at major corporations.

How can access to endless amounts of on-line information improve the productivity and independence of all employees and allow managers to lead more people with greater creativity? How can I increase my competitiveness with all this information?

The Speed of Communication

We should not view time as a constraint; rather, we should use it as a competitive advantage. As Davis explains in *Future Perfect*, the key is shortening the time between identifying a customer's need and fulfilling it. The idea is that a product can be researched, developed, manufactured, and consumed virtually all at the same time. New technologies are starting to make this possible. Time is the one resource we can't have more of, but we can make better use of it every year because of the tools available to remove delays.

The speed of communication comes from two sides. First, information producers have the ability to place records instantaneously in the computer as transactions are processed (your grocery

Taking advantage of the information explosion begins with a willingness to learn new skills. Almost everywhere you look, you find articles and books about computers in business and networking in general—pick one up and start studying. The following steps should get you started.

Networking Within Your Office

You can quickly set up a peer-to-peer network. Peer-to-peer networks allow each computer to read information from another computer's hard drive and use a printer that is physically attached to a different computer. You need the following pieces:

• Two or more computers in your organization (within a few hundred feet of each other).

• Peer-to-peer networking software, such as Personal NetWare or Lantastic (about $99).

• A network expansion board for each computer (about $125 each).

• Enough network cable to connect all the computers (less than $20 for 50 feet).

You can probably install the boards and software yourself. The networking software will probably come with an e-mail system. You'll find that e-mail is useful even with a few people in a small office. It serves as an electronic bulletin board and teaches people new ways of communicating.

If you have hundreds of computers to network, you should consider a client/server system, such as NetWare or UNIX. These systems have a central server that holds shared data and programs. They cost much more, but can support thousands of users.

Networking With the World

You can network with the outside world even without any network in your office. Each of the following four steps will expose you to more new material and powerful methods of communicating and will require additional effort to master.

1. Get a modem for your computer. (A 14.4K modem is about $99.) PCs, Macintoshes, and other computers all support modems. Just ask at your local computer store. Every modem should come with software to configure and operate it.

2. Use the free offers that come with every modem to try an electronic service for a couple of months ($7–$20 per month), such as America Online, Delphi, Prodigy, or CompuServe.

These services have complete documentation and a toll-free support number. They provide a very structured set of information resources, including news, weather, and sports. You can usually send e-mail to other users around the world, as well.

You may see ads in business papers for specialized services that would be useful to your work, such as Dow Jones or DIALOG. They are fairly easy to use, and you might consider trying one, but be aware that services offering premium information may charge for each item you view, costing you several hundred dollars each month. Understand their rates before you log in!

3. Look in publications like Computer Shopper (or in your on-line service, like America Online) for computer bulletin board (called BBS) phone numbers. Call several and explore their services. Most BBSs are free, at least for a trial period.

4. Use your modem and a regular telephone line to connect to the Internet ($20–$40 per month). The software to connect is available for free. Locate Internet Service Providers in your local business magazine or the business section of your local newspaper. Ask them to help you get started.

With an Internet connection, you can exchange information with anyone else on the Internet and explore anywhere in the world, using e-mail, World Wide Web, gopher, FTP, and other services. You may need two or three hours of a friend's or consultant's time to get started. The Internet is the proverbial information fire hose, with no filter valve. It does not present information in the same structured way that an information service such as Prodigy does.

Once you are familiar with the on-line information service that best meets your needs, you will begin noticing additional e-mail and other electronic addresses, which you can use to explore other on-line services. Further, you can ask business associates how to contact them electronically. Finally, you can discuss with your business associates, vendors, and customers how you might use these on-line services to improve your service and streamline your current processes.

On-line Etiquette

New technologies bring new definitions of acceptability in business. Though many of the points below are common courtesy, understanding what is acceptable and expected within the electronic arena will ease the transition to the new world of business communication.

Many of these standards of conduct appear to have originated in the networking and computer cultures from which the technologies sprang (universities and government organizations); because of their effectiveness, they were accepted by others who joined later.

• The first rule of good on-line citizenship is to read and understand an on-line subject matter before you attempt to contribute. The Internet has no governing moderator or help system. The burden of dealing with millions of new users unfamiliar with its systems is a great complaint of experienced users. Although Internet has no help system, just reading and exploring will teach new users a great deal. This action is highly recommended before you jump in and risk wasting the time of thousands of other users who would see your early mistakes.

• Anonymous communication is not allowed in a general sense, although special groups use anonymous accounts to retrieve embarrassing material. All communication should be signed with your complete name, an electronic method to reach you (e-mail or fax), and preferably a traditional method to reach you (phone or U.S. mail address).

• Privacy and security are major issues. The Internet and e-mail are not particularly secure, so you must take responsibility for the security of your own information. For example, choose good passwords (not your wife's or child's name), and be astute about what you send. Further, you shouldn't read other people's e-mail, even if you can.

• Humor is dangerous; be careful. Without-face-to-face contact, sarcasm or jokes (especially between cultures, such as American to Japanese) can be insulting rather than amusing. The lost art of letter writing is in many cases supplanted by a substitute language of symbols, beginning with the ubiquitous smiley face :-) to indicate a comment made in jest (tilt your head to the left to read these new language symbols).

• Advertising on the Internet is generally not tolerated. Public networks are currently used only for *pull* advertising, where the potential consumer requests information from companies. *Push* advertising (sending advertising, whether readers want to see it or not) is limited to a few special services such as Prodigy. A pair of lawyers in Arizona tried to advertise their services on an Internet discussion news group and had to disconnect to stop the thousands of "flames" (messages from irate users telling how angry they are).

• Realize the amazing variety of individuals on the Internet. The Internet is useful because so many people are connected, but it requires more tolerance because of the audience diversity. Be kind and respectful, especially with people you are "meeting" for the first time. The anarchist college student and the Danish grandmother are both trying to use the Internet to accomplish their respective goals.
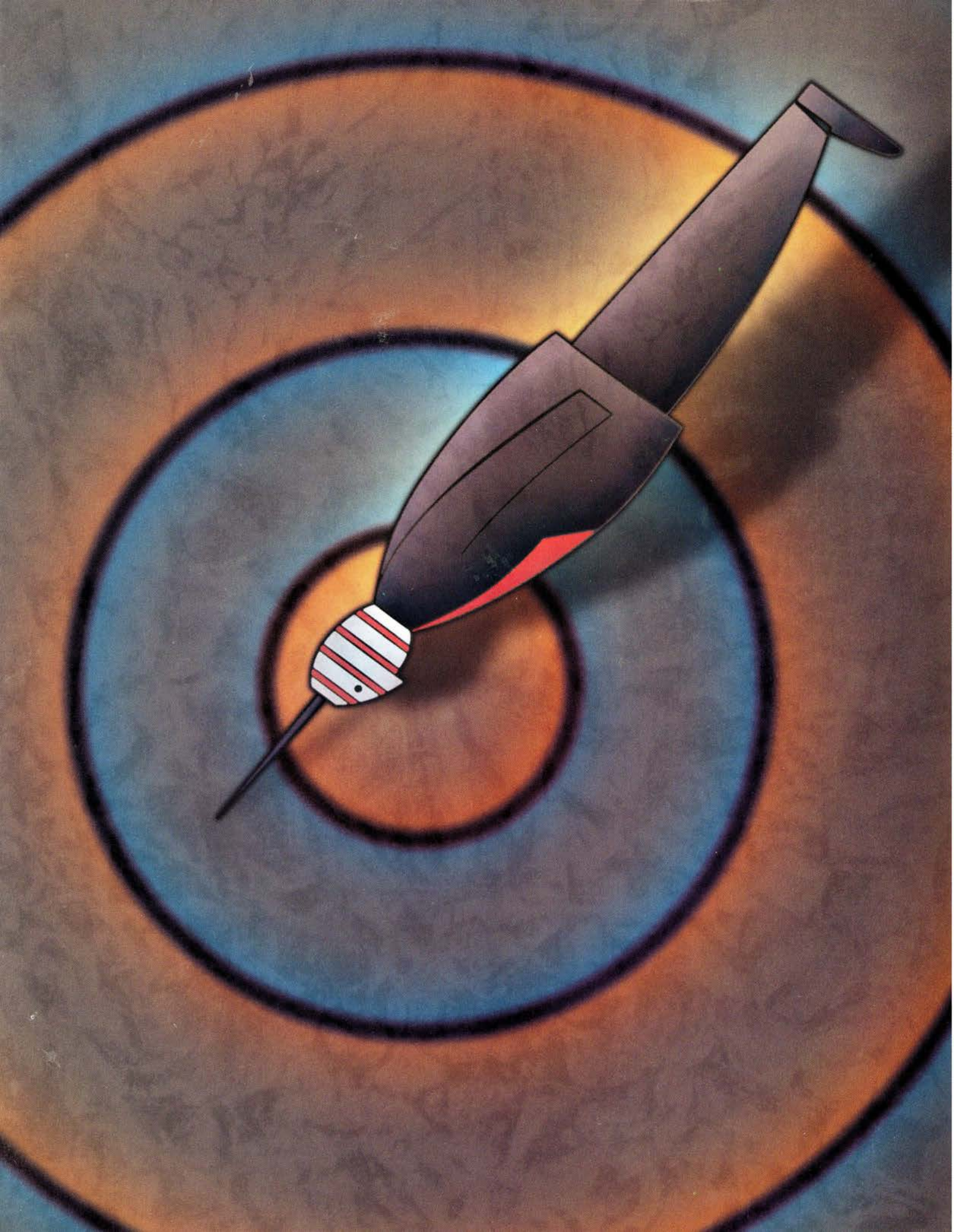
TAKING THE

BY MARVIN P. EVANS

MYSTERY OUT OF

Marvin P. Evans, an alumnus of the Marriot School of Management, is continuous
improvement manager for the Kemper National Insurance Companies

QUALITY

Many organizations have launched large-scale efforts to improve quality. But too many of these initiatives have fizzled from a lack of customer focus, improper measurement (or no measurement at all), little emphasis on results accountability, failure to make continuous improvement, and failure to provide adequate recognition when it is deserved. Managers and others who have implemented quality initiatives are mystified that the results aren't better. In reality, there is no mystery at all—it all boils down to executing a few important steps.

Successfully implementing a quality initiative starts with realizing that quality is more than accuracy. For example, if you were to ask a group of people to describe the highest-quality watch, you would hear a variety of descriptions, such as multiple functions, good price, accuracy, durability, attractiveness, and comfort. Accuracy is obviously an important consideration, but other elements of quality can also have a significant bearing on which watches consumers buy.

Quality, more broadly defined, is a continuous improvement process that helps individual employees, work teams, departments, and every other element of an organization to achieve better short- and long-term results. Within this broader context, quality is accomplished by:

- continually identifying customer expectations;
- giving employees the latitude to exceed customer expectations;
- holding employees accountable for doing things right the first time;
- measuring results and initiating short-term actions to continuously improve results; and
- providing recognition when key objectives and goals are achieved.

Each of these steps is important and cannot be omitted. Otherwise, quality will suffer in some way.

Continually Identifying Customer Expectations

The first step to quality is to find out what customers need and want. To determine customers' expectations, you have to ask. Further, since customer expectations can change rapidly, you have to ask often. Far too frequently, organizations assume they know what their customers want. As a result, they run the risk of missing the bull's-eye. If the competition has more accurately pinpointed customer expectations and responded to them, market share can be lost and can take years to recoup.

Ideally, organizations should tailor their products and services to the needs of each customer. For example, in the independent agency insurance business, some agents prefer to negotiate renewal policies well before the policy effective date, while others prefer to negotiate until the effective date. These two modes of operation represent philosophical differences, each with its own set of pros and cons. A perceptive insurance company will tailor its efforts to exceed the expectations of both types of agents.

As expectations are consistently exceeded, customers come to expect higher levels of performance. These higher levels of performance then lead to higher expectations, requiring even greater effort to continue to exceed customers' needs and wants. As the bar gets higher and higher, organizations that can continually exceed customer expectations will stay well ahead of their competition.

Methods to determine customers' needs and wants include face-to-face interviews, mail questionnaires, focus groups, and pilot programs. Each method has advantages and disadvantages.

Face-to-face interviews provide the opportunity to probe and are useful in finding out how to tailor quality efforts to each customer. The interviews also send a strong message that the provider is serious about exceeding customer expectations because of the time required to meet in person. On the other hand, face-to-face interviews take significant amounts of time, causing difficulty in getting input from all customers on an ongoing basis.

Mail questionnaires are useful in covering a large customer base. However, they are impersonal and usually result in a low response rate. If the response rate is too low, the expressed customer expectations may not represent the views of the total customer population. Also, using questionnaires can make it difficult to tailor quality efforts to individual customers. Using a random sample of the larger population can help overcome some of these concerns.

Focus groups can solidify relationships with customers while gaining important information about customer needs and wants. If the customers involved in focus groups can collectively agree on their most important expectations, this information becomes extremely valuable to the quality provider. A primary disadvantage of focus groups is the time required to organize them. In addition, focus groups usually produce highly qualitative results.

Pilot programs are useful in applying information gleaned from face-to-face interviews, questionnaires, and focus groups. Actually trying different approaches can determine what will make a real difference with customers.

Since each of these methods has inherent flaws, using some combination of them will usually yield the best results. For example, a company might use focus groups to identify customer expectations, mail questionnaires to a random group of customers to confirm these expectations, conduct pilot programs with selected groups of customers to further validate the benefits of exceeding these expectations, and follow up on pilot program results with face-to-face interviews.

Although expectations will vary by customer, examples of common expectations that cross industry lines include the following:

• Accessibility—is available in person and on the phone; has convenient hours.

• Responsiveness—provides excellent turnaround time; returns phone calls promptly; regularly provides order status.

• Problem Solving—resolves complaints; provides creative solutions.

• Attitude of Personnel—provides clear customer focus; demonstrates flexibility.

• Competence of Personnel—is knowledgeable and professional.

• Product Delivery—delivers goods on time.

• Product Quality—is error free; provides accurate information.

• Administrative Practices—keeps bureaucracy to a minimum; is easy to do business with.

Customer expectations like these can be assumed for all situations, but asking customers about their needs and wants is the only way to be sure. Accurately identifying customer expectations is essential to the remaining quality improvement steps.

COMFORT ZONE

FULL AUTHORITY ZONE
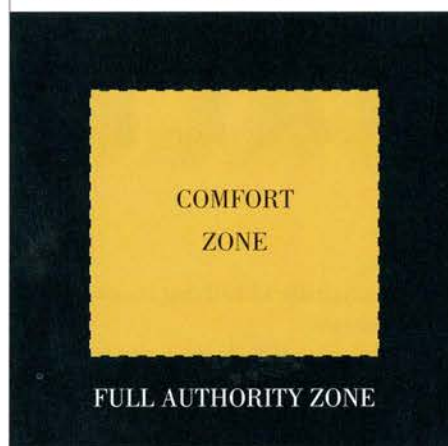
Giving Employees the Latitude to Exceed Customer Expectations

Employees need to understand their boundaries and then be given the latitude to exceed customer expectations in a way that positively affects results. The box above represents each employee's boundaries.

The outside line of the box illustrates the full authority of each employee. The smaller box, represented by dashed lines, represents the *comfort zone*, or the operating zone in which employees feel most comfortable.

Typically, employees stay within their comfort zone, because they have been taught not to make mistakes rather than to take risks. Exceeding customer expectations often requires taking reasonable risks. Therefore, employees need encouragement to operate within the full realm of their responsibility and authority (the larger box). Further, employees should sense management's support even in going *outside* their box, should circumstances warrant it. When

mistakes occasionally occur, management should treat them as learning experiences instead of "gotchas."

Any serious quality initiative requires managers to put their full trust in the frontline staff. The frontline staff understands customer needs and expectations better than anyone else in the organization. Blanchard Training & Development, located in Escondido, California, recommends that the traditional organization chart be turned upside down so employee emphasis is more on pleasing the customer rather than on pleasing the boss. The exhibit on the facing page illustrates this concept.

In theory, what the customer wants and what management wants should be the same. Management's role is to provide overall direction and vision to the organization. Once that is established, management must communicate clearly that the *customer* rules, and employees need the latitude to exceed customer expectations in a way that leads to improved organizational results.

Holding Employees Accountable for Doing Things Right the First Time

Managers can tolerate some mistakes when encouraging employees to use judgment in exceeding customer expectations; but when it comes to product quality, the goal must be 100 percent accuracy. One might ask if 99 out of 100 is good enough. If so, 1 out of every 100 newborns would be dropped by nurses, and 1 out of every 100 airplanes would fail to take off successfully. Further, if each step in a 10-step process is 99 percent accurate, you would be 90 percent accurate after 10 steps. Finally, if each step in a 100-step process is 99 percent accurate, you would be only 36.6 percent accurate after 100 steps.

Customers expect 100 percent accuracy in the products they buy, and they expect this accuracy level the first time. Investing time up front to ensure that work is done correctly the first time has the following important benefits:

• Employees take more ownership and responsibility for producing quality results.

• Time spent on traditional back-end quality control activities is greatly reduced.

• Employee productivity increases, and costs decrease, because less time is spent correcting errors.

The amount of time spent correcting errors can be staggering; thus, employee training programs, systems, and procedures all must foster a culture of producing work right the first time.

If employees have some doubt about whether something is correct, they have the responsibility to ask someone who knows. This investment in up-front consultation will prevent errors, increase the expertise of the employee who has sought advice, and reduce the need for back-end quality control.

When errors occur, an error-correction procedure that maintains customer loyalty needs to be in place. One of the best ways to maintain customer loyalty is to fix errors quickly. Another way to maintain customer loyalty is to provide something *extra*, such as a small discount on the next purchase.

Measuring Results and Initiating Short-term Action Plans to Improve Results

Results need to be measured, and measurement approaches need to be kept simple and meaningful. An effective way to keep measurements simple and meaningful is to use customer feedback to determine success. To be meaningful, this feedback should include the following:

• the extent to which expectations are being met, not met, or exceeded;

• the extent to which performance has declined or improved; and

• the importance of each expectation to the customer.

Simplicity results from focusing on the customer expectations previously identified through face-to-face interviews, questionnaires, focus groups, and pilot programs. As shown in Exhibit 3 (see page 28), a simple customer feedback tool can help achieve the three criteria. To ensure complete responses, organizations should collect this information through face-to-face interviews.

Once collected, customer feedback needs to be compared to key organizational objectives. A positive correlation should exist between customer feedback and achieving objectives. In other words, the teams and departments that receive

excellent response from their customers should be major contributors to the organization's success. If this correlation does not exist, management should examine customer expectations to make sure they are accurate and still apply.
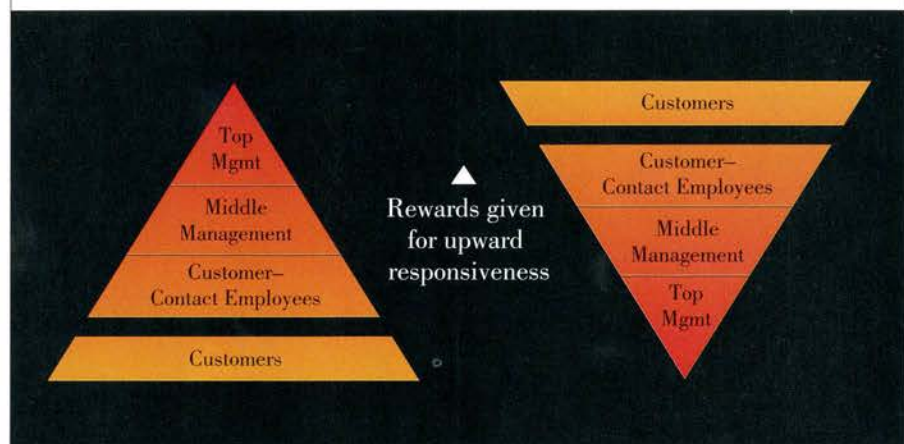
Initiating short-term actions, based on customer feedback, is the lifeblood of any quality initiative. Examples of short-term actions include the following:

• Within 60 days, we will introduce a new quality assurance program to correct current problems with accuracy.

• By tomorrow afternoon, we will have a game plan in place to bring backlogs under control within the next 30 days.

Rewards given for upward responsiveness

• Next week, we will meet with the marketing department to reach a mutual agreement on how to increase sales by at least 10 percent in the Northeast region.

• Within the next 30 days, we will put a focus group together to address concerns customers have expressed about our product delivery time frames.

Implementing short-term actions is what takes the mystery out of quality and causes any quality initiative to come alive. Many such initiatives fizzle or fail to realize their potential because they never cross the bridge between determining objectives and doing something about them. Companies can achieve continuous improvement only by diligently following through on short-term action plans.

Once short-term action plans are in place, companies must communicate them to the customers who provided developmental feedback. Only then will customers know that the organization is serious about quality improvement. Short-term action plans also need to support and tie into the organization's

long-term goals. The ultimate benefit of developing and implementing short-term action plans is improved key financial results (e.g., sales growth, reduced expense, and increased profit).

Recognizing and Rewarding the Achievement of Key Objectives

Acknowledging significant achievements can reinforce all the important components of a quality initiative. Positive feedback from customers is one such achievement. Recognizing the implementation of successful short-term action plans is also important.

Properly used, recognition is an important part of any quality initiative because it helps sustain continuous improvement.

Recognition can be given to an individual, a team, a department, or an office. The most important consideration is to effectively match the recognition with the achievement and the person. Most of all, recognition needs to be sincere and clearly tied to the achievement of key objectives and goals. The measurements discussed earlier set the table for the feast that can follow when individuals or work teams achieve key results.

Recognitions and rewards can vary greatly in terms of monetary value and scope. Sometimes only verbal recognition and praise are sufficient. On other occasions, a significant monetary reward is appropriate. Other common forms of recognition include a lunch or dinner provided by the company, recognition in the company magazine, an extra day off, gift certificates, or some combination of these acknowledgments.

Preparing for the Challenges of

Changing A World

You may not be ready for some of the changes that will occur to you as you move out into the American landscape. And I guess I'm here to tell you that that's all right, that none of us, even deans and professors in business school, knows exactly how that world is changing and how it will affect our personal and professional lives. I thought it might be interesting to talk briefly about the changes occurring to all people in businesses, but especially to women as they have changed and as the world around them changes.

Facing the Same Challenges

Let's look at some of the differences that you are going to face. As I came into this room, I was told that 61 percent of Utah women work full-time. That's an enormously high percentage in a state where traditionally women did not work outside the home. That's not going to change tomorrow, and it does place additional burdens on women and men as they look at their lives and consider how they can manage both family and work.

In America today, 50 percent of women with a child under the age of one—that's the bureaucratic term for "baby"—are working full time. Consequently, when government talks about day care issues, the people already are having to find solutions in their lives.

When I was elected to Congress, I was a single parent. That was unusual enough in my congressional district. I was also one of four Republican women elected to Congress that year. That was such an incredible number—the most women that had ever been elected at one time to the Congress of the United States.

by Lynn Martin

After serving as secretary of labor under President George Bush, Lynn Martin currently chairs Deloitte & Touche's Council on the Advancement of Women. She is a regular business commentator on National Public Radio's Marketplace and is a regular panelist on Public Television's "To the Contrary." She recently assumed the Davee Chair at the J. L. Kellog Graduate School of Management, Northwestern University. This is an edited version of an address given to Marriott School graduate students on November 4, 1994.

That's a long time ago. That's my yesterday. It's your "who cares." Still, the one thing that made my daughter sit up and take notice was that my three colleagues and I were on the Donahue show. Wow! Talk about fame.

And when I went back to Congress, my male colleagues said, "Why did you get to be on Donahue? We didn't get to be on Donahue!" That was extraordinary. What's equally extraordinary is that of those four women only one is in Congress today. They moved up and out and changed their lives, the same way many male members did.

And yet there were different expectations. Three of the four ran for higher office. All lost. I was one of them, so I can speak to that. We all ran in 1990, which was the year of the incumbent. None of us ran in 1992, which the press dubbed "Year of the Woman." My timing was always a trace off in these things. But that didn't mean that we gave up. I went on to become a cabinet member. One of my colleagues who lost that year is on her way, in Hawaii, a Democratic state, to being elected governor. I have great hopes that she'll be elected, not only because she's an incredibly able public servant, but because I think how terrific it will be to visit her in January, February, and March. If you're from Chicago you're very careful when thinking through things like that. And the other woman who lost is involved in environmental research.

I tell you this, because although men and women are different—and we are, and that's okay—some of the same things are going to be true as they move along different paths. In other words, the problems that young men face in the business world are also now going to be faced by young women. The difficulties families face with travel and change are going to be faced jointly by men and women. Spouses are going to have to be even closer friends because they both are going to be experiencing some of the same difficulties as they make their way through life. But more important, they are going to be facing some of the same extraordinary challenges.

None of you in this room, without exception, are going to work for one single company through your life. Unlike your parents, unlike your grandparents, you're going to work for four, six, seven companies. You are not going to have just one career, even with a master's degree from this excellent school of management. You're going to have two, four, up to six different careers before you hit the end of your work life. Most of you, male and female alike, are going to go in and out of the work force.

When you make some of those career changes, you are going to face periods when you are not working. And this will be different from the experience of past generations. You are going to face economies that are downsizing in areas where you want to work. For the first time, when we talk about unemployment, it isn't just about somebody who's on an assembly line. It is about people who have higher education. And so you have to find your own flexibility. The reason that pension portability is going to become more important is that if you work at six different companies and at each one you have a pension that can't move, when you're 65 you don't have much. And increasingly that's going to matter to you.

The reason the health care debate has legs and will come back is not because we need universal, massive government intervention, but because there are flaws in the system that ought to be corrected so that young people such as you, moving from job to job, still find coverage for yourselves and for your children, and don't find yourselves excluded from health care because your little son has a rheumatic heart, or because your spouse has developed cancer and will not be covered by a new company. Those are real-life problems. Legislatures will not solve them, and, in fact, by the time they create programs aimed at those problems, there will be new problems caused by the problems they have purportedly solved.

Education

There is something that sets you apart. Many in this room are members of The Church of Jesus Christ of Latter-day Saints, a faith that has an extraordinary commitment to education as part of its core beliefs. That means that your families expect you to have an education. They believe it is an important part of your life. And this means you're always

going to be in the upper echelons of American society.

Nevertheless, you will also face a problem that is becoming exacerbated in America today and that we ought to talk about, because it's going to affect our lives so greatly. When our great-grandfathers came to America, they generally went to work with a seventh-grade education, and they could often make enough money at a steel mill, in a manufacturing facility, or starting a store to support a family. Did our great-grandmothers work? Often. More, in fact, than we realize. But the point is, they could raise a family without much education, send the kids to school, and eventually have a decent place to live. In America today, if you do not have an education, you are going to be poor all of your life. And too often we see our young people being separated from an educational system that does not answer either their needs or ours.

If a 15-year-old girl becomes pregnant, doesn't marry, and drops out of school, she will be poor and her child will be poor all of their lives. If a 14-year-old guy, cool beyond belief, hangs out on the street corner, by 35, he will have had no work experience. And no one is *ever* going to hire either of them. It doesn't matter how massive the government program is. It doesn't matter if you're Republican or Democrat. That separation will be built in. And when it happens disproportionately in urban areas or to African Americans or Hispanic Americans, it still happens to all of us, because the nation will not be healthy.

The answers to those problems ought to come from business schools around this country. There has been failure when answers have come from the "touchy, feel-good, oh-my-goodness-isn't-this-awful-and-we-can't-do-anything-about-it" school of thought. Business schools can bring to this public policy question programmatic changes and measurements that can make a difference. Are business schools ready for it yet? No.

If I tell you that American government is not the answer, but American businesses might be, do you think the CEOs of America are all going to stand up and say, "Whoa, I know that. I can hardly wait. I'm going to help break the

glass ceiling. I'm going to become terribly involved." But they're beginning to, interestingly enough. The most progressive of businesses in the United States are beginning to make changes in the way they treat their own employees that will be reflected in the business force.

Motorola estimates that right now it is spending 10 percent of its total costs on training for individual employees. This is in a nation that spends less than 0.5 percent on training. Motorola estimates that by the end of this decade every Motorola employee will spend 30 days a year in training. Think about that. That's the new job, the new flexibility, the new career—within one company. But think again of the high school dropouts. They will become less and less able to cross that gulf.

The enormous difference between our top and bottom wage earners is growing. And that is something that we ought to be concerned about. I say that as a free-enterprise Republican. Because if we are not concerned enough, eventually we will move backwards.

Do you care about success? You bet you do. Do you also want to make a good living and have a house and a family? Of course. There's nothing wrong with that. That isn't rampant materialism. It's okay. But inherent in that desire is the desire to make sure that this does not become a country of fear, a nation where we have to lock away our wealth, where our families are unsafe, where our children and our children's children believe that they can't have a better life.

I believe that we are in an era for new pioneers. I believe that you are part of that new pioneer generation— that you are going to make a difference. And you're going to take some of the things you're learning here and break through the barriers of old kinds of thinking and move toward an America that believes not only that it can compete, but that it will win, and that winning will mean a better life for more people, not fewer people; an America where racism and sexism disappear; an America that values and uses the talents of each individual. We are not there yet. [We progress] little by little. And education is the single most important tool we can use to get there.

A Different Economy

It is also true that you're going to be facing a very different kind of economy. I'd like to finish with that thought, because I think it's so important to the way you will develop your career choices.

Since World War II there have been 15 or 16 recessionary cycles. They happen. If we're in power it's the other guy's fault. And if they're in power, it's our fault. Those cycles have occurred during both Republican and Democratic administrations.

The cycles used to be pretty straightforward. The economy would be humming along and, all of a sudden: wham, a huge down, often hitting steel and big auto first and machine tools last, because they have a two-year order period. Retail is in between. A lot of people, mainly on the factory floor, would lose their jobs, but white-collar workers would have protection virtually across the spectrum. Then, after a relatively short trough, the economy would rebound, and we would create more jobs than we lost during the recession. We would hire back everybody who had been out of work, and we would move forward.

This meant the government could do certain things. It could have an unemployment compensation system that was actually a salary replacement system for a short period of time. If the trough lasted a little longer, we would vote to extend the compensation period. But we really didn't over-worry, because we knew we were going to come out of the trough.

Then, in the late '80s and '90s, some interesting things began to happen. We went into recession again. By this time, I was in the Department of Labor. It was 1991, and the numbers were not like any from previous recessions. In fact, we differed with everyone in the administration privately on the interpretation of the numbers. They were slower. They were deeper. And as we plotted them, instead of a deep drop, the trough was sort of shallow. Some of you may well remember President Bush's statement: "We're not in recession." But out among the people there was a very different feeling. In fact, one big difference that was apparent right from the beginning

was that, of the unemployed, 27 percent were white collar—a percentage higher than had ever occurred before. And when we reached the trough, we didn't know it. Reestablishing salaries with unemployment compensation did not restore people's confidence, because they knew it would run out. And they knew there was only so long that Congress could or would extend that compensation. Extending it for another 12 weeks, when you think your job is gone forever, does not restore your confidence.

When we finally came out of it, the Bush presidency was over, but I continue to argue that this is the kind of recessionary cycle you are going to see from now on. You will be the generation that faces not the sharp decline, but the slower ones and the much slower recoveries.

Now we are producing jobs again. It's been almost two-and-a-half years since most economists said the recessionary cycle had ended. And we are now just beginning to have more jobs than we lost. And not nearly in the percentages that we used to have.

Is that bad news? Sure. It's not great. But it means eventually we pull out of it. You are going to have to use different strategies in your life to maintain the kind of consistency and stability that you want. You ought to know those things so that you can prepare for them, so that all of your work roles are flexible enough that you can be ready for those changes, ready to move, ready to take advantage when difficult times come—and they do in everyone's life.

Do we still have to figure out ways to more actively and more accurately balance home and family? Of course! Does the glass ceiling still have to be broken? Yes! Are women still equal throughout America? No! Do African Americans have exactly the same choices? Of course not! And yet it is still all better than it was five years ago. With the kind of thinking that can go on in this room, in ten years it will be better still. You can be part of that change, and I think it's an extraordinary opportunity for you. You chose a business school. I tell you that business now is the world, and that the business you will be in is the business of making sure that men and women have a better life. ∎

Marriott School Placement: The Career Services Connection

by Danelle A. Hall

The Marriott School ranked 31st in the 1995 *U.S. News & World Report* assessment of graduate business programs. Within three months of graduation last year, 94 percent of all Marriott School of Management graduates started new jobs. A large portion of this success can be attributed to the Marriott School Career Services Center.

Over the past few years, a number of changes in career services have improved placement success. Increased use of available resources, specific instruction of graduate students regarding career opportunities, and improved marketing of career services all work together to provide excellent career choices for MSM graduates.

Use of Available Resources

The Career Services Center has access to many valuable resources as it assists students in their career search. Among these resources are an experienced director, alumni placement committees, and mentors from the business world. The center uses these resources not only to help students find jobs, but to guide them in the first steps of creating successful careers.

An Experienced Director

Experienced leadership is perhaps the most significant resource of the Career Services Center. In June 1994, Career Services Director Ron Burke left the Marriott School to become a mission president in Florida. The new director, Bill Brady, is a graduate of BYU who has worked extensively in human resources, especially in recruiting and hiring employees.

During his 13 years with Bechtel Corporation, two years with Price Waterhouse, and four years with the Fremont Group, Bill has read more than 10,000 resumés and conducted more than 3,000 interviews. Dean K. Fred Skousen describes Bill as "one who has been in recruiting, who knows what the

students need. He has the commitment and enthusiasm necessary to succeed in this position."

Bill's commitment and enthusiasm show in his daily contact with students. His extensive experience is always available to them. For instance, he conducts one-on-one videotaped interviews to help students prepare for their actual interviews. Along with this service, Bill offers individual counseling to help students make employment decisions.

Students feel this experience is invaluable. To Joseph Heilner, a first-year MBA student, his interview experience was exceptional. Says Joseph, "Bill has an extensive background that allows him to ask thoughtful questions and provide accurate feedback in areas

New Director Bill Brady counsels with a student on employment decisions.

where a student needs to improve. I came away feeling I had a solid interview; very representative of any actual interview I have had."

One way Bill helps students during these "practice" interviews is to show them how to prepare for the real thing. Bill encourages students to research the companies they will be interviewing with and to personalize their resumé for each company. "Recruiters know when students have not done their homework on a company," Bill states. "A resumé that has been personalized for the company shows the recruiter that a student really wants to work for the recruiter's company, not just any company."

Placement Committees

In his role as director of Career

Services, Bill has the opportunity to work closely with the Marriott School's National Advisory Council and the Alumni Board. Together, they are working to increase the number of internships and full-time opportunities for BYU graduates.

In October 1993, the National Advisory Council Student Internship/ Placement Committee was created, followed in March 1994 by the creation of a similar Alumni Board committee. These two committees help in the placement process for both internships and full-time work positions. To facilitate this activity, the Career Services Center published an internship brochure and distributed it to all NAC and Alumni Board members.

The brochure focuses on five areas, describing the internship program and how it can help a company. Included in the brochure is an internship form that companies can return if they wish to participate in the program. NAC and Alumni Board members are opening doors through the internship program that often lead to full-time positions for BYU graduates.

Increasing internships is just one goal of the placement committees. They have set additional goals to increase placement opportunities for students. Kregg Hale, chief operations officer of The Physical Therapy Source in Provo, Utah, and president of the Alumni Board Placement Committee, explains that his committee has challenged all members of the Alumni Board to identify an internship opportunity. The

internship can be within the board member's own company or in another company where a new contact can be made.

Dan Paxton, vice president of human resources for Pizza Hut and chair of the NAC placement committee, has also been working with his committee to identify internship and full-time work opportunities for MSM graduates. During the NAC meetings in November, 1994, the committee set the following goals for 1995:

- Identify 33 new NAC companies with internship opportunities;
- Increase internship opportunities through Management Society chapters;
- Improve the number and quality of internship opportunities;
- Facilitate the Mentor Program; and
- Focus on 10 new companies that students are most interested in.

NAC and Alumni Board members are working to achieve these goals before their next annual meeting.

Mentor Program

Facilitating the Mentor Program is an important goal of the Internship/ Placement Committees. The program's purpose is to give Marriott School students a contact in the business world who can help bridge the gap between textbook education and real-world experience. Since the program's inception, many Marriott School students have had a mentor's help in learning about companies, industries, and positions, enabling them to make educated decisions regarding their plans after graduation.

Many BYU alumni, including NAC and Alumni Board members, volunteer to be mentors. Carr Krueger, an Alumni Board member, has been a mentor twice. Of this experience, he says, "One of my students started early in the program. Through our contact he has gained an alliance in the business community and has learned of many employment opportunities. He has a second mentor now, but we still keep in contact."

Dave Jacobsen, a second-year MBA student, has taken advantage of the program for two years. Dave chose mentors whose background matched the path he wanted to follow in business. Dave says,

"The opportunity is there for students to network with people established in the industry. My mentor has helped me look in the right direction for job opportunities and has helped me learn fundamental skills, including how to position myself within a company.

The Mentor Program continues to provide valuable opportunities for MSM students. Through it, they gain a clearer view of potential careers and receive valuable information to help them prepare for life after graduation.

Instruction of Students

Two years ago, former Career Services Director Ron Burke began developing a career directions course for students. Bill Brady has built on the foundation Ron put in place and implemented the course fall semester 1994.

All first-year graduate students are required to attend the career directions course, which is held once a week for the first five weeks of the semester. Bill focuses on a different topic each week: networking, research, self-assessment, resumés, and interviewing.

Greg Chandler, a first-year MBA student, saw great benefit in these classes: "Most people coming into the program don't have a strong focus on what they really want to do. The career directions class helped a lot of us narrow down our choices and start thinking about our future plans." Erick Bahr agreed, "The career directions classes helped me realize what opportunities are there and how I can take advantage of them."

The course was successful last fall. Bill feels that the course content will continue to improve and that this instruction will heighten students' awareness of career issues and involve them earlier in the job-search process.

Marketing of Career Services

Career Services exists not only to serve the students, but also to be a valuable resource for employers. To succeed in this dual role, Career Services has a well-developed marketing strategy. Among other activities, each year it publishes a book containing the resumés of all MSM graduate students. The book is then distributed to more

than 1,000 organizations in an effort to bring employers to campus where they can meet prospective employees.

Bill has expanded the effectiveness of this marketing tool by linking it to other Career Services publications. Brochures, the resumé book, and all other materials that Career Services sends to companies have the same distinctive design. Thus, when recruiters and college coordinators receive the materials, they can immediately identify them with BYU.

This strategy has already proved successful. Last year, for example, four new companies, including Red Lobster, came to interview on campus. An increasing number of job postings for a variety of jobs suggests that many new companies are showing interest in Marriott School programs and graduates. Small financial firms, to give another example, submitted seven new job postings for positions during fall semester.

What's Ahead for Career Services

In addition to the fine programs that are already in place, a new program involving the MBA Association is under consideration. The MBA Association has established a career group that meets each week to identify which companies students are interested in and to discuss how they can interest these companies in BYU students. One of their goals is to take students out into the business world and introduce them to potential employers.

The programs implemented by Career Services and the goals set for next year will enhance the MSM's already outstanding placement program. The involvement of alumni, the National Advisory Council, and the Alumni Board will improve the quality and number of internship and career opportunities. If you would like to receive more information on Career Services programs and how you can get involved, please contact Bill Brady at:
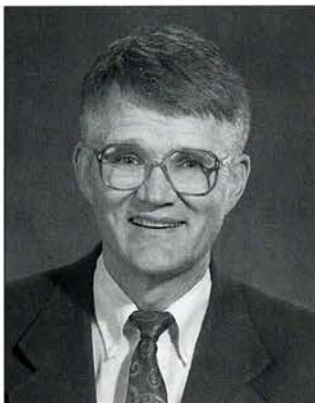
Career Services
Marriott School of Management
Brigham Young University
470 TNRB
Provo, UT 84602 E

Pinegar Receives Outstanding Faculty Award

J. Michael Pinegar received the 1995 Outstanding Faculty Award at a special banquet on February 22, 1995. Pinegar is a professor and head of the finance group in the Marriott School's Institute of Business Management.

J. Michael Pinegar

Mike attended BYU as an undergraduate, then went on to earn his PhD in finance from the University of Utah. He then accepted a position as an assistant professor of finance at the University of Iowa.

After six enjoyable years at Iowa, Mike accepted an offer to join the BYU faculty. He now has more than 20 publications, many of which appear in prestigious academic journals, such as the *Journal of Finance*, the *Journal of Financial Economics*, and the *Journal of Quantitative Financial Analysis*.

He is currently a member of the Faculty Advisory Committee at BYU, the University Investments Committee, and the Commencement Committee. He also belongs to several professional associations and has presented research findings at conferences in the U.S., Europe, and Asia.

MSM Teaching Excellence Awards

James D. Stice and Michael Thompson have been honored with 1994–95 MSM Teaching Excellence Awards.

Professor Stice is the Price Waterhouse Research Fellow and an associate professor in the School of Accountancy and Information Systems. He received his bachelor's and master's degrees from BYU and his PhD from the University of Washington.

James D. Stice

Since joining the faculty at BYU in 1988, he has received teaching awards and has published both books and articles.

Thompson also came to BYU in 1988, after serving as the executive director of the Public Service Training Program for the State of New York. Before managing this program, he was director of the Center for Organization and Policy Studies at the State University of New York at Albany. Michael earned his master's degree and PhD from Rensselaer Polytechnic Institute after graduating from BYU in classics, Greek, and Latin.

Michael Thompson

Michael has taught the core communication courses in the Marriott School's graduate programs. His research has focused on the role of communication in organizational change and the improvement of communication among organizational leaders. He is coauthor of a textbook, *Becoming a Master Manager*, that is used in many graduate courses.

Wright Receives Citizenship Award

N. Dale Wright has been named recipient of the MSM Citizenship Award, established in 1993 to recognize faculty members who have helped strengthen academics in the Marriott School and the university by serving in administrative capacities. Wright has served as director of the Institute of Public Management since 1984.

N. Dale Wright

Dale received the Exxon Teaching Award in 1982 and a Faculty Teaching Award from the BYU Division of Continuing Education in 1988. His main areas of teaching are organizational behavior and theory and management strategy. He has edited two books on ethics: *Exemplary Public Administrators* and *Papers on the Ethics of Administration*. He has also published articles and chapters on organizational theory.

Convocation Speaker Honored

Mark H. Willes, chair of the NAC Executive Committee, addressed Marriott School graduates at the April 21 convocation exercises. He spoke to the topic, "Performance Without Pride."

Prior to his address, Willes received from Dean Skousen the Jesse Knight Industrial Citizenship Award, recognizing "his commitment to the highest standards of professional conduct" and "his willingness to share his time and leadership skills with the faculty and students of the Marriott School."

On May 1, 1995, Willes was named president and CEO of The Times Mirror Company, and on January 1, 1996, he will also assume the title of chairman. He has been with General Mills for the past 15 years, serving as vice chairman since April 1992, president for the previous seven years, and a member of the board of directors since December 1984. Prior to joining General Mills, Willes was president of the Federal Reserve Bank of Minneapolis.

He has also served in various church positions, including counselor in both a bishopric and a stake presidency and stake president for nearly 10 years.

Entrepreneur Honored

Larry H. Miller, owner of 21 auto dealerships and the Utah Jazz basketball franchise, has been selected as the 1995 International Entrepreneur of the Year. In 1991, three years after acquiring sole ownership of the Jazz, Mr. Miller built the Delta Center, a 20,400-seat arena in downtown Salt Lake City. This undertaking is the basis of a business case that he helps teach to Marriott School graduate students each year.


Larry H. Miller

Larry recently purchased independent television station Channel 14 and renamed it KJZZ. He is actively involved in the Toyota National Dealer Council as well as church and civic affairs.

Leadership Change in Center for Entrepreneurship

Brent Peterson, director of the MSM Center for Entrepreneurship, is going

on professional leave after having served for five years in this position. The new director is Donald H. Livingstone, a new faculty member in the SOAIS and former manager of Arthur Anderson's financial services
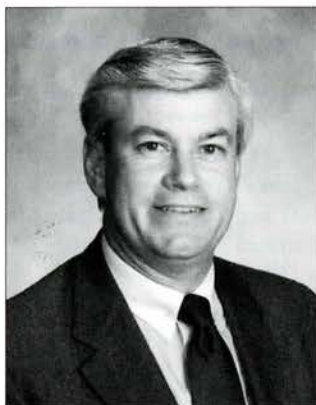
Donald H. Livingstone

practice in both Northern and Southern California. Don comes to BYU after nearly 30 years with Arthur Anderson and Company. (See related story on page 22.)

Joining the center as entrepreneur in residence for the 1995–96 school year is Stephen Gibson. An accomplished entrepreneur, Mr. Gibson recently sold his medical oxygen company with locations in California, Colorado, Utah, Arizona, Missouri, and Idaho.

Stephen Gibson

As entrepreneur in residence, he will assist students from a variety of majors who wish to start businesses.

He will also assist Don Livingstone in recruiting other successful entrepreneurs to join the Entrepreneur Founders group, who support the center with financial, time, and talent contributions. Mr. Gibson received a bachelor's

degree in communications from BYU in 1966. He serves on the board of directors for several businesses.

BYU Upsets Michigan

This report appeared in the March 1995 issue of the University of Michigan's OBHRM Alumni Newsletter: "Shock. There was no other word for the reaction of the OBHRM department to the stunning upset victory that BYU scored over the University of Michigan Business School. Not a trivial loss of a football or basketball game. BYU scored a stunning victory by enticing away Kim Cameron. Kim Cameron will be joining the faculty at Brigham Young University as associate dean and Ford Motor Company Cook Professor. He will be greatly missed."

And at BYU he is greatly welcome. Professor Cameron is a significant addition to the Marriott School faculty. As associate dean he will be responsible for academic programs, including executive and outreach programs. We are excited to have him join us.

Assistant to Dean Accepts New Position at BYU

Delora Bertelsen, assistant to the dean, accepted a new assignment as assistant to Blair Condie in the BYU Employee Relations/Equal Opportunity Office this spring. For the past 19 years, Delora has served in the dean's office at the Marriott School, assisting four deans in administering the school's programs.

Delora Bertelsen

Bertelsen came to BYU in 1976 after working for several years in Washington, D. C., most notably at the Supreme Court of the United States, where she

served as executive secretary to the administrative assistant to the chief justice.

Active in community work, Bertelsen was elected mayor of Springville, Utah, in 1990 and served on the Central Utah Water Conservancy District Board of Directors and the Springville Arts Council. She received both her bachelor of arts and master of public administration degrees from BYU.

In 1985, Bertelsen was honored by President Jeffery Holland with a Presidential Appreciation Award, and in 1991 was named recipient of the Ben E. Lewis Management Award.

"We thank Delora very much for her wonderful service to the Marriott School of Management these past 19 years," says Dean Skousen. "This is an exciting challenge for Delora, and we wish her the very best in her new assignment."

Integrative Exercise Focuses on Multimedia and Education

All first-year MSM graduate students participated in an intensive three-day integrative exercise focused on multimedia applications in education. On Tuesday evening, March 14, first-year students from all four graduate programs met together and were divided into groups of 15 to 17 students. They were asked to raise issues, but not offer solutions, regarding applications of multimedia in education.

Each group had to prepare both a written and oral presentation for the "governor's task force on education." After two days, they handed in their written reports and made oral presentations (using multimedia, of course). These presentations were judged by Marriott School faculty members.

The top four groups then made presentations to Bob Stearns, vice president of development at Compaq; Ken Docter, vice chairman of Price Waterhouse; Tom Furness, professor of computer science at the University of Washington; and Elder Henry B. Eyring, then a member of the First Quorum of Seventy. The winning group was announced at a special dinner hosted by Price Waterhouse at the Park Hotel in Provo. After the dinner, Professor Tom Furness

addressed the exercise participants.

Next fall these same students will participate in a follow-up exercise in which they will be required to offer solutions to the issues and questions they raised in their presentations this spring.

National Accounting Conference

The MSM School of Accountancy and Information Systems (SOAIS) and Brigham Young University invite alumni and friends to return to campus September 21 and 22 and participate in the second annual National Accounting Conference. The conference promises to be a premier program for CPAs, corporate and government finance officers, and accounting graduates in all business-related fields.

Speakers include government leaders, accounting and business professionals, as well as SOAIS faculty members. The two-day conference is priced at $195 and will enable participants to network with other SOAIS friends and alumni.

In addition to attending the technical sessions, participants can enjoy the BYU-Wyoming football game and listen to Dale Murphy (former National League MVP) at a luncheon and Presiding Bishop Merrill J. Bateman at a special dinner. We look forward to seeing you at the conference.

MBA Program Ranks 31st

U.S. News & World Report has published its 1995 annual survey of "America's Best Graduate Schools." Among programs nationwide, the Marriott School's MBA Program ranked 31st in the nation, ahead of such schools as the University of Illinois, Penn State University, Notre Dame, the University of Washington, and Arizona State University.

Graduate Resumés Now Available on the Internet

Because the Internet is becoming increasingly available to individuals and businesses, MSM Career Services is taking advantage of this rapidly expanding technology to enhance the placement of Marriott School graduates. The school's World Wide Web information site now includes resumés for graduate students in the school's four

master's programs. If your company is interested in recruiting Marriott School graduates, or if you would just like a look at our current graduating class, the address is *http://www.byu.edu/acd1/ msm/carser/resumes*.

BYU Sweeps Beta Alpha Psi Awards

In March, BYU's chapter of Beta Alpha Psi swept the presentation and manuscript awards given at the Beta Alpha Psi Rocky Mountain Regional Conference. Jayd McFerson and Val Gregory, two MSM accounting students, earned first place in the respective divisions for their presentations. Jayd also received first place overall for his accompanying manuscript. Jayd and Val both presented on aspects of how accounting will change as we move into the 21st century.

Career Services Director Passes Away in Mission Field

Ron Burke, who left his position as director of Career Services last summer to serve as president of the Florida Tampa Mission, died suddenly of a heart attack on November 23, 1994. Our sincere sympathies go out to his family and to the missionaries who served with him.

Burke came to BYU in 1986, after retiring from Marathon Oil Company, where he worked as a geophysicist before becoming the company's vice president of exploration for the United States and Canada. He taught geology courses as an adjunct professor before joining the Marriott School of Management in 1990.

At Career Services he helped students find internship and job opportunities and brought recruiters to campus. He was able to make great improvements in the recruiting process for graduate business students through his great love of people and extensive service.

"He was a wonderful man, a loving person," said Margaret Shibla, student coordinator in Career Services. "We all miss him greatly."

Burke had been serving as mission president since July 1994. He is survived by his wife, Rene, five children, six stepchildren, and 39 grandchildren.

Quotable

The following is an excerpt from remarks by Michael Pinegar, 1995 recipient of the Marriott School's Outstanding Faculty Award, delivered at the February 22 awards banquet.

My undergraduate degree was in German. My mission to Germany allowed me to test out of 16 hours of language credit offered by BYU. Having scored well on that test and on tests in other preliminary classes, I decided that German was for me. The classes that dealt with the language itself were easy. The literature and culture classes, however, became more difficult. It was in a German culture class taught by Hans Kelling that I had one of my most memorable experiences as an undergraduate student at BYU.

The text for the course had been written by Professor Kelling, and he expected us to know what was in it. I, frankly, was unprepared for the level of detail required for his first exam. I think I got a C. For the second exam, however, I was determined to do well. I studied the material thoroughly and went into class prepared to repeat back any detail he might ask.

To my surprise, the second test was not detail oriented. It contained what seemed to be a long list of short-answer essay questions. I had learned so many details that I had difficulty writing short answers. I consciously decided to write complete answers. The cost of this strategy was that I had left several questions blank when the test was over.

When we received our tests back a week later, I was disappointed. Friends who had written more superficial answers but had covered all the questions scored considerably higher than I did. I waited after class to talk to Professor Kelling. I told him his exam was not fair. I explained how his first exam had caused me to expect details on the second and how it was impossible in the time allotted to answer all his questions with convincing detail.

Having been a professor for several years now, I can imagine many possible responses to my plight. Professor Kelling might have thought: "Do I really have to be bothered by the complaints of this student who doesn't know how to take a test?" That, however, was not Hans Kelling's style. He made an appointment to see me later in the week and asked me not to review the test materials before our appointment.

When I met him in his office, he tested me orally on the questions I hadn't responded to on the exam. He then adjusted my grade according to my answers. At the end of the semester, my final grade was fair. I also knew that I had learned to enjoy the process of learning in Professor Kelling's class. Therefore, I was as satisfied with that grade as with any I received while a student at BYU.

There are, of course, other teachers whose influence I appreciate. Ron Lease, my dissertation chair at the University of Utah, was much like Hans Kelling—very demanding, but extremely fair. I had to write some of my dissertation five times to satisfy him. Yet, his motivation was never to show me how much more he knew than I did, but to challenge me to do work I would be proud of. The payoff was that I knew if Ron accepted a chapter, it was good.

I have learned similar lessons from my students. A few years ago, I had a female track athlete in my class named Nicole Richards. Nicole was a distance runner for BYU. Because she had to travel often to compete in track meets, she frequently missed lectures and had to take quizzes late. However, Nicole was a good student. Under normal circumstances, she was clearly an A student. Because of her outside commitments, however, her grade bordered between a B+ and an A−.

One day toward the end of the semester, Nicole came to class just after we had taken a quiz. Without the quiz, her grade would be pushed toward the B+. With it, she could earn an A−. Nicole had not talked to me about a track conflict, but I wanted to give her the benefit of the doubt. I hoped she had a good reason for missing the quiz so she could earn the higher grade. When I asked her why she was late, she said, without hesitation, that her reason did not warrant special consideration. She knew I would accept whatever she said. She also knew that only she knew how valid her reason was. The important thing was that she did know and that she refused to compromise her integrity by abusing private information.

More years ago than I will be truthful about, I was also a track athlete. Our high school medley relay team had won in region and had qualified for state. A medley relay consists of four legs: two 220-yard sprints, a 440-yard dash, and an 880-yard run. My leg was the second 220. The strength of our team, however was our anchorman, our final runner. That day he had already won the state championship in the 440-yard dash and, in earlier meets in the year, he had run neck and neck with the eventual state champion in the 880. The other three of us were somewhat average. Still, our team had a good chance of winning if we could just get the baton into our anchorman's hand without disadvantaging him too much.

There were three other teams in the finals. The first runner of one of those teams had taken second in state in the 220. Thus, my chances of receiving the baton in first place seemed small. Our first runner, however, ran an inspired race and beat the runner who had taken second in state. When I reached back to take the baton from my teammate, however, I inadvertently curled my hand so that the exchange couldn't take place cleanly. Instead of receiving the baton in first place in full stride, I took it in last place in broken stride. Because of that poor exchange, our team took third instead of first.

In many respects, what we do is like a relay. I have had the privilege to exchange the baton with Hans Kelling, Ron Lease, Nicole Richards, and many others. We pass the baton regularly when we encourage each other in research, teaching, and committee work, or when we inspire students to learn to love learning or to excel in their professions. We pass it when we teach our students to become leaders in their families and in the Church. When I was considering going back to school to get my PhD, my only concern was that I was serving as a bishop in a ward where leadership was in short supply. My stake president said, "Go, and don't look back." He counseled me that getting my degree would provide opportunities for service that I would not otherwise have. Those opportunities for me, and for all of us, require that we accept the baton cleanly and "go, and not look back." E

R. Joseph Collet—An Alumnus in the Spotlight

SINCE 1987, when he become the exclusive business manager for professional golfer Severiano Ballesteros, Richard Joseph Collet (nicknamed "Joe") has had the opportunity to rub shoulders with royalty, entertainment celebrities, billionaires, leaders of nations, CEOs of Fortune 500 companies, and many talented and creative people well-known and respected in their fields of endeavor.

Joe became fascinated at an early age with the media's ability to influence popularity in the sporting industry and entertainment field. Realizing the need to receive professional training, however, Collet decided to pursue a college

worked as a regional manager for a start-up computer software company, then for American Medical International (Beverly Hills) as a joint-venture specialist with physicians, subsequently transferring to its real estate department. His career break came, however, when Edward L. Barner, professional manager and agent, gave him his start in the management side of the golf business at Uni-angers International in California. According to Collet, Barner, who had managed Trini Lopez, Johnny Miller, Billy Casper, and Sam Snead, was "the most talented agent ever." Barner also managed Seve Ballesteros before Collet entered the industry.

Japan, nearly a month in Britain, two weeks in Germany, as well as time in other locations, such as the Middle East and Southeast Asia. Collet's professional activities in these countries have included forming domestic corporations and offshore holding companies and trusts, writing proposals, marketing blue chip properties, managing existing businesses, and handling public relations in foreign countries.

Joe Collet's thirst for knowledge and his general interest in languages has led him to pursue German credit at UCLA and French and Japanese at Santa Monica City College. Joe speaks both Spanish and Portuguese fluently and has an adequate working knowledge of German and French for reading, social conversation, and travel. He has also picked up words and phrases in Croatian, Arabic, and Italian.

Joseph and his wife, Rebecca Romney, also a BYU alum, and their three children, Rachel Michelle, Denise Ruth, and Joseph Ben, live in Cantabria, Spain, where Joe is currently serving in his sixth year as president of the Santander Branch. In his spare time he enjoys music, genealogy, scuba diving, target shooting, photography, artwork, and herpetology. Collet also runs a publishing and importation business on the side.

Joe and his family plan to relocate, possibly to Vienna, by next summer. "It has been a dream to be fluent in German and to provide my wife and children with varied cultural experience. I'd also like to get my financial house in order so we can devote more time to service and just being together as a family." The Collets ultimately plan to settle down in the southwest United States in about three years to be closer to family. Collet says he'd like to "follow in J. Willard Marriott's footsteps and someday be able to finance worthy undertakings for the edification and enjoyment of all people."

"I have a reputation for being tough but fair. I prefer thinking that by being tough, I am being thorough," explains Collet with regard to his business demeanor. "I'm in a glamorous business," he adds, "but I subscribe to the principle that hard work coupled with a good idea is key to success in any undertaking." E

David Frost, Brian Jones, Graham Marsh, Joseph Collet, and Craig Stadler (left to right) at the Dunlop Phoenix Golf Tournament, Miyazaki, Japan.

education in business, graduating from BYU in 1973 with a bachelor's degree in accounting and a composite minor in business management and economics. He later pursued entertainment law at the University of California Hastings College of the Law, graduating in 1976 with a juris doctorate and an emphasis in taxation and corporate law.

Joe's postgraduate pursuits led him to become a business executive instead of a lawyer, although his "legal background has been extremely useful in avoiding disputes as well as resolving other problems."

Between 1983 and 1986, Collet

Today Joe Collet serves as officer and director of several corporations he established for Ballesteros. These businesses pursue activities such as golf course design, tournament organization and direction, media projects, licensing and investments. Collet has also advised Ballesteros on a number of tax and estate planning matters, as well as the reorganization of his complete investment portfolio, while more than tripling his client's income.

Collet has lived and worked in Spain for nearly eight years and has traveled extensively, particularly in Europe. He spends at least two weeks annually in

Arthur H. Carter Accounting Scholars
Jeff Wilkes and Martissa Whelcher Spencer

MARRIOTT SCHOOL of Management students Martissa Whelcher Spencer and Jeff Wilkes were honored as 1994 recipients of the prestigious Arthur H. Carter Accounting Scholarships. Jeff and Martissa are two of 52 students nationwide who received cash scholarships for undergraduate or postgraduate studies in accounting.

The Arthur H. Carter Scholarships are notable awards in the accounting community. Dr. Kevin D. Stocks, associate director of the MSM School of Accountancy and Information Systems, commented, "Most schools delight in having one scholarship recipient occasionally. BYU has been fortunate to have one or two recipients each year since the award was established in 1973."

Martissa Spencer

Scholarship recipient Martissa Spencer plans to graduate in April 1996 with a master's degree in accounting. "I chose accounting," she said, "because my interests and skills parallel the demands of the profession, such as good

customer service, decision-making ability, clear judgment, creativity, innovation, responsibility, and integrity."

Martissa's goals include "always being in a position to serve others and striving to feel satisfaction from my work." She says she's not seeking a specific title or position in the business world, rather, she just loves business, the office feeling, and the "let's get things organized and done right the first time" attitude.

With the desire to "delve into the ocean of knowledge at BYU," Martissa has enrolled in many honors courses outside of her accounting major. During her sophomore year, she worked in a dishroom to pay for a study abroad program in Mexico. "I wanted to experience a new culture and people. I didn't want to be a tourist, but part of the community." Martissa also served an 18-month LDS mission to Romania, where she learned the language and culture.

Since enrolling at BYU, Martissa has received the Brigham Young University Scholar Award, the Lelia H. Ashley Scholarship, the Ruth DeBernardi Scholarship, the J. Willard Marriott Award, a Farmers Insurance Group of Companies Scholarship, and now the Arthur H. Carter Scholarship.

Martissa's extracurricular activities include involvement as a volunteer for BYU's income tax assistance program and as a member of Beta Alpha Psi, Phi Eta Sigma, Phi Kappa Phi, BYU's Women's Chorus, and Concert Choir.

Martissa says she loves school and loves to learn how to learn. For her, "knowledge is the power to be oneself, discern relevant information, evaluate options, make decisions, serve others, and find a more excellent way. Knowledge is freedom from the slavery of ignorance and the consequences of foolish choices."

Jeff Wilkes

Scholarship recipient Jeff Wilkes has been "heavily involved in many of the activities in the accounting program," says Kevin Stocks. The school invited Jeff to teach the introductory accounting course during spring term 1994. "These positions are reserved for students who display tremendous maturity, understanding, and capability," explains Stocks. "Jeff did an outstanding job."

Jeff has received many awards while attending BYU, including the national Society of Public Accountants Scholarship, a BYU Trustees Scholarship, the Key Bank Scholarship, the NuCor Foundation Scholarship, the First

Security Bank Scholarship, the Robert C. Byrd-Utah State Board of Education Scholarship, and the Arthur H. Carter Accounting Scholarship. He is a member of Phi Kappa Phi, Beta Alpha Psi, Beta Gamma Sigma, BYU Men's Chorus, and the volunteer income tax assistance program.

Jeff works currently as a research assistant to Professor Monte Swain. He says this position gives him the

opportunity to "develop insightful skills while keeping abreast of the most current developments in accounting." It will also give him the chance to coauthor an article in 1995.

Jeff says that, quite honestly, he didn't face any major challenges in attending BYU. He did face a difficult challenge, however, when he was younger. When Jeff was born, his hips were turned inward, causing his legs to rotate inward as well. After many unsuccessful surgeries, years in casts and leg braces, and much teasing from other children, he still has the same physical defect today. But despite the challenge, he played four years of football, volleyball, floor hockey, softball, and BYU intramural team sports. Jeff says he's learned that "most people in this life do have challenges. The difference between those who succeed and those who don't is attitude."

Jeff plans to graduate in April 1995 in the top 1 percent of his class. He will earn a degree in accounting with a minor in statistics. Before graduating, he plans to publish his first article in an accounting journal. His plans after graduation include a doctoral program in accounting at either Cornell University or the University of Texas at Austin.

New Marriott School Faculty Members

David A. Whetton

David A. Whetton is the Jack Wheatley Professor of Organizational Behavior and director of the Center for the Study of Values in Organizations at the Marriott School. Previously he was the Harry J. Gray Professor of Executive Leadership and director of the Office of Organizational Research at the University of Illinois.

David's research has appeared in leading professional journals. He has also coauthored three research books. He is currently working on a new book, *Handbook for Teaching Organizational Behavior*. He is currently editor of the *Foundations for Organizational Science Series*, and recently served as editor of the *Academy of Management Review*.

In 1994 Professor Whetton received the Distinguished Service Award from the Academy of Management. He also cofounded the Macro Organizational Behavior Society.

Kristie W. Seawright

This is actually Kristie Seawright's second year on the MSM faculty. Last year she was a visiting professor and enjoyed teaching BYU students, who, she says, "are well-prepared, articulate, and hard-working."

Kristie's major area of research interest is quality management. Last year, Kristie spent a couple of weeks in Russia teaching business managers and entrepreneurs and helping increase their understanding of business and operations strategy in a market economy.

She came to BYU because the Marriott School of Management offers her "a perfect mix of teaching and research." She enjoys teaching and desires to continually improve the combination and quality of learning experiences for her students.

Steven M. Glover

Steven Glover is the newest faculty member in the School of Accountancy and Information Systems. Steve came to BYU after completing his PhD at the University of Washington.

His areas of interest are auditing and financial accounting, with a primary research interest in financial statement audits. His graduate work included a cognitive psychology minor, so his area of specialization is applying decision theory to professional auditor judgment.

After graduating from the University of Washington, Steve worked for KPMG Peat Marwick in their Seattle office. He is a CPA, and his industry experience includes manufacturing, health care, banking, software development, construction, and real estate.

Although he enjoyed the high-quality individuals he worked with at Peat Marwick and values the opportunities and experience he received there, his career goal was to become a university professor.

Sheri J. Bischoff

Sheri J. Bischoff is an assistant professor in the organizational behavior department. She recently completed her Ph.D. in organizational studies at the University of Oregon, after receiving her MOB degree from BYU in 1985.

Professor Bischoff's research interests include cross-cultural and international management, occupational stress, and human resource management.

Prior to her doctoral studies, Sheri worked as director of support/senior services at Cottonwood Hospital in Murray, Utah. She was in this position from 1985 to 1990. During her doctoral program, she was involved for three years as a research assistant in a five-year federally funded study of the health consequences of organizationally sponsored health promotion activities. This experience led to her appointment to serve on the advisory committee for the new BYU Wellness Program.

Donald H Livingstone

Donald Livingstone is a new faculty member in the School of Accountancy and Information Systems and also newly named director of the Marriott School's Center for Entrepreneurship.

Don joined Arthur Anderson LLP in San Francisco in 1966 and has been a partner since 1976. He managed the financial services practice in both Northern and Southern California and until retirement was director of the firm's banking industry practise for the western United States.

Don served from 1986 to 1992 on the faculty of the Stonier Graduate School of Banking, sponsored by the American Bankers Association, where he taught about mergers and acquisitions and postmerger integration of banks.

He authored a book titled *Buying and Selling Banks: A Guide to Doing It Right* and has been a speaker at regional and national conferences of the American Bankers Association and the Bank Administration Institute.

Paul C. Godfrey

Professor Paul C. Godfrey joined the Marriott School faculty in June 1994 after receiving his PhD in Business Administration from the University of Washington.

Professor Godfrey's areas of expertise are strategic management and organizational theory and design. Teaching is a rewarding experience, and Paul finds the most satisfaction when students say, "I never thought about things in that way before."

Paul has significant work experience in the practical business world. He has managed a restaurant and has also served as operations manager for a commercial construction company and general manager for a contract flooring business. E

store probably updates its inventory the instant the checker scans your box of cereal). Second, very large amounts of that information can be transmitted to any point on the planet at incredible speeds.

With a medium-speed private network or Internet connection (around $300 a month), you can grab hundreds of photographs or tens of thousands of pages each hour from sites all over the world, including China, Russia, Africa, and Australia.

Your customers expect you to have complete records of their transactions at your fingertips when they call. This expectation comes not because they know all the technologies involved, but because they see your competitors and others in related industries doing it. They call their credit card company and have all charges and payments available; they call a mail-order catalog and know just what is in stock and when it will arrive at their house; they call their shipper and hear exactly where their package is. Why should this same person call you and tolerate, "I'm not sure how we're doing on your order—can I get back to you tomorrow?"

The more service customers experience, the more they expect, to the eventual benefit of manufacturing, service, retail, and business-to-business transactions. But if you do not keep pace with the possibilities, your customers will experience an escalating level of dissatisfaction, comparing your unchanging service with the improving service of competitors.

How can technology improve my products' time to market, my interaction with customers, and my employees' productivity? How can I determine the value of speeding information flow compared to its costs?

The New Organization

The more technology you have in place, and the more it removes barriers, the less tolerant employees will be of ivory-tower, nonempowered, no-information-flow management. These are the technologies that enable the "empowerment" buzzword, because they furnish lower layers of organizations with enough information to make intelligent (read "empowered") decisions, and then act on them.

Continuous information flow and instantaneous communication within and among businesses pulls together organizational layers, effectively if not literally flattening organizational charts. Managers can provide data that employees need, and employees can quickly resolve concerns with management. The phenomenon of e-mail alone has changed many organizations: anyone can send e-mail to the CEO, and an assistant usually can't intercept it.

There has been ample evidence of this phenomenon in the U.S. economy in recent years. New technologies, such as electronic communication with vendors and customers, have enabled large corporations to remain effective while removing the middle third of their management structures.

People at the bottom of the traditional organizational chart were often the ones in contact with the customer or involved in the hands-on work of the factory. But these were the individuals least likely to have any information to assist them in making decisions. Technology changes that. For example, imagine a Federal Express employee able to access information on a customer's package and act on it, instead of getting the information from a central office, which sends a decision for action along with the data. The old method increases the load on the central office and takes initiative away from the person who is in contact with the customer.

How can I better understand the needs of my employees as they use these tools? How will being "in the trenches" help my work as a manager? What dangers and benefits can I foresee by being the first to use new technologies in my company or industry? How can I push information down to empower others and become more closely tied to their work.

Conclusion

This article has touched only briefly on many of the problems new technologies bring with them, problems such as huge learning curves and existing investments that organizations have made, security and privacy concerns, and lost productivity as users play with their information toys.

But these are serious concerns of organizations promoting and selling these technologies, as well as the organizations and individuals seeking to use them. Both sides have a vested interest in understanding problems and setting standards that will alleviate these concerns. It is in everyone's best interest to do so.

The changes described here are not trivial. When jet airplanes became a travel alternative, they were not just a new method of getting from here to there. Competing industries underwent radical change, and railroads, in particular, struggled in vain to compete. The ability to have breakfast on one coast and dinner on the other soon altered the entire business world. In the same way, new information technologies will radically alter the use of traditional systems such as telephones and U.S. mail, and eventually the entire business world. Where airplanes began the push to remove barriers of time and space, reduce costs, and improve communication, current technologies are set to finish the job.

Neither organizations nor individuals can afford to ignore these new possibilities, while all around them both competitors and colleagues build new relationships and new businesses with capabilities that will soon be as commonplace as the telephone. ▣

Suggested Reading List

1. Angell, David, and Brent Heslop, *The Internet Business Companion*, Addison-Wesley, 1995.

2. Bussus, Daniel, *Techno-Trends*, HarperCollins, 1993.

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4. Eager, William, *The Information Payoff*, Prentice-Hall, 1995.

5. Ellsworth, Jill H., and Matthew V. Ellsworth, *The Internet Business Book*, John Wiley, 1994.

6. Lipnack, Jessica, and Jeffrey Stamps, *The Age of the Network*, Oliver Wight Publications, 1994.

7. Morrison, Ian, and Greg Schmid, *Future Tense*, William Morrow & Co., 1994.

8. Underwood, Lynn, *Intelligent Manufacturing*, Addison-Wesley, 1993.

THE assumptions of our throwaway society stretch to the forefront of management ideas. Let's face it: The half-life of a management idea is never very long. Why are we true believers of an idea one day, then harsh critics the next? Perhaps like the people in the story of the emperor's new clothes,

another: the emperor was arrested, tried, and convicted of indecent exposure.

A suggestion: Why don't we try to fix what's wrong with BPR before leaving it for something else? We are impressed with many BPR principles. Moreover, we believe that most of its problems are due more to lack of maturity than lack of

questions about business events:

- What happened and when? (events)
- Who performed the various roles? (agents)
- Why did the event occur? (output resources)
- What kinds and quantities of resources were needed? (input resources)
- Where did the event occur? (locations)

The first step in REAL BPM is to become familiar with business processes and their underlying events by identifying activities the organization wants to plan, influence, and evaluate. For example, typical events found in a mail-order company's sales and collection process might include (1) receive order from customer, (2) ship merchandise to customer, and (3) receive payment from customer.

Strengthening Competitive Advantage

Through Retrofitted Business Process Reengineering

Lee Tom Perry
Eric L. Denna

we have had our trust destroyed by individuals who make impossible claims, lead us along for a while, and then let us down. Now when we see a minor flaw in the emperor's clothes, we immediately conclude he is naked.

A case in point: business process reengineering (BPR). BPR is a grand scheme to obliterate current business practices. This procedure requires people in organizations to examine the work they do with an eye single to improving customer service. It begins with a set of principles for improving an organization's process performance and culminates in the radical redesign of organization-wide structures and processes.[1]

Until recently, BPR was touted as a movement of epic proportions. A new emperor was crowned, and everyone marveled at the splendor of his robes. Then, someone reported a flaw. A 1993 Deloitte & Touche survey of more than 500 chief information officers revealed that reengineering projects consistently fell short of their expected benefits, especially when these projects were designed to increase revenue.[2] Others have expressed similar reservations about BPR, including *Fortune* and *Information Week*.[3] One thing led to

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substance. Certainly, there is room for improvement, but a valuable set of core principles already exists. Why not retrofit BPR? This proposed retrofit involves:

- evaluating business processes and events, using REAL business process modeling;
- introducing a logic for establishing strategic priorities in reengineering projects; and
- furnishing decision makers with real-time information by linking business process reengineering to information process reengineering.

REAL Business Process Modeling

BPR has fallen from grace principally because business processes have not been clearly defined. If practitioners are unclear about what a business process is, how do they reengineer it? The best way to understand business processes is to deconstruct them into business events. Business events are the essential organizational activities that management plans, influences, or evaluates in accomplishing business objectives. A business process is simply a string of business events.

The best way to understand business processes is to model the string of business events that compose them. REAL (Resources, Events, Agents, and Locations) business process modeling (BPM) answers the following

REAL BPM's next step is to describe the essential nature of a business process by relating the appropriate agents, resources, and locations to business events. Agents are the people or machines that execute a business event. Agents can be either internal or external. Internal agents are typically employees who perform roles and assume responsibilities within an organization, while external agents are individuals and organizations with whom a business interacts. Resources also come in two varieties: input and output resources. Organizations receive input resources, and they generate output resources. Resources are the primary currency of exchange in business events. They can be either physical (parts), conceptual (knowledge), or political (support). Locations represent where events occur.

In a REAL BPM, resources, agents, and locations are represented by rectangular boxes connected with lines to event boxes. Figure 1 shows an example of a REAL model for a mail-order sales and collection process. Internal agents and input resources are typically placed on the left side of events; locations and external agents appear on the right side. When output resources are specified, they appear beneath the event box.

From an events perspective, a business process is simply a series of events with rules governing their sequence. For a specific event, business rules define what can happen, when, who is involved, what is involved, and where the event

FIGURE 1: REAL BPM of Mail-Order Sales/Collection Process

FIGURE 1: REAL BPM of Mail-Order Sales/Collection Process
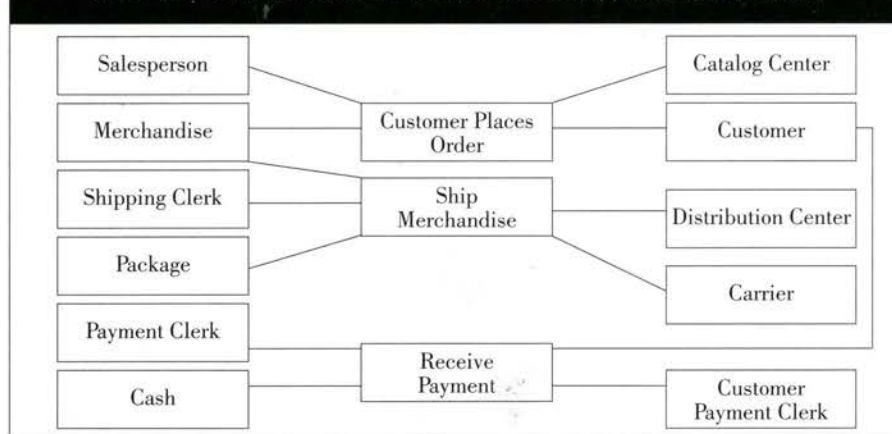
can occur. By sequencing the business events in the mail order example, we can concisely define the sales and collection process for a specific mail order business. The rules governing the event sequence within the process may vary across organizations, but the essential characteristics of the process do not.

Having a REAL model of a business process allows organizations to define the level at which they want to manage the process. For example, some organizations may choose to manage at a lower, detailed level instead of at a higher, general level. Ultimately, organizations must define business processes at multiple levels, ensuring that higher-level models don't become bogged down in unnecessary detail and ensuring that lower-level models include the critical aspects of the business process.

Strategic Priorities for BPR[4]

Business Process Reengineering, retrofitted with REAL BPM, provides a powerful tool for radically redesigning organization-wide structures and processes, but it still lacks a targeting mechanism. This invokes the metaphor of a 155-millimeter howitzer waving around, shooting aimlessly.

An experience of a large aerospace company illustrates why strategic priorities are important to BPR. The company hired consultants to help it reengineer one of its plants. The effort created a great deal of enthusiasm among managers and workers, who considered it an unmitigated success. When the company hired another consulting firm to help define its strategy,

however, management discovered that much of the reengineered work was strategically unimportant.

The first step in establishing strategic priorities is strategy clarification, a process that aims a business in a clear strategic direction. Central to strategy clarification is identifying a business focus, which enables businesses to be distinctive and to excel at something.

Our experience indicates that high-performing businesses concentrate on only one focus. In the fast-food industry, McDonald's is a product-focused business, known for the consistency of its food. A McDonald's hamburger tastes exactly the same in St. Petersburg, Russia, as in St. Petersburg, Florida. Many of customers buy fast food at McDonald's because they know exactly what to expect.

Hot'n Now, a division of Taco Bell and a competitor of McDonald's, is a customer-focused business. Its customers are primarily frequent fast-food consumers. Everything Hot'n Now does is directed at attracting people who eat fast food at least three times a week.

A single business focus is like a magnet that redirects all organizational efforts and the development of organizational capabilities. The intent of a business focus is not to give up existing business, but, over time, to draw together scattered activities.

A clear business focus enables management to differentiate among four distinct categories of work and, in turn, prioritize venues for BPR. The four categories of work are:

• *Unit-of-competitive-advantage* (UCA) *work*, or the unit of work and capabili-

ties that creates distinctiveness for the business in the marketplace.
• *Value-added support work*, which facilitates UCA work.
• *Essential support work*, which neither creates advantage nor facilitates work that creates advantage, but is indispensable to continuing business operations.
• *Nonessential work*, or activity that has lost its usefulness but continues because of tradition.

These four categories suggest what kinds of work to reengineer first and interdependently, what kinds to reengineer separately, and what kinds not to waste time on. Because UCA processes provide the greatest leverage, they are the highest priority for retrofitted BPR. In other words, BPR should proceed from (1) reengineering UCA processes to (2) eliminating nonessential work to (3) differentiating between value-added and essential support work.

Reengineering UCA Processes

UCA work rests on the premise that competitive advantage results from businesses focusing their attention on a few key processes and implementing those key processes in world-class fashion. Our experience is that reengineering creates significantly greater competitive advantage when preceded by a decision to pursue a single business focus, a clarification of strategic objectives, and a determination of UCA processes and events.

For example, a large printing press supplier focused on a core set of technologies. The competitive advantages it was trying to create in the marketplace included a reputation as a world-class provider of technology, an ability to find market applications for its technology, and an ability to translate technology advances quickly into viable products. As the printing press supplier evaluated its business, it identified four processes that fit within its UCA: technology development, applications engineering, business development, and preliminary design. All four processes became immediate priorities for BPR.

In addition to identifying the processes in its UCA, this business explicitly defined processes not in the UCA—detailed design, manufacturing, sales, and postsales service. Exclusion of these processes from the UCA did

not mean that they were unimportant; if handled poorly, they could lead to competitive disadvantage. The company recognized, however, that reengineering these non-UCA processes would not increase its ability to create competitive advantage with its technology strategy.

Eliminating Nonessential Work

Sometimes eliminating nonessential work produces the greatest gains from retrofitted BPR—to organizations and the people performing the work. In a large Texas-based chemical company, for instance, the corporate analytical center serviced all the measurement and information needs of several plants. The center, an arm of the corporate R&D division, appeared to perform an essential support role for the plants, because most of its work was a response to specific plant requests. Employees at the center, however, had chronic problems with absenteeism, low morale, racism, and sexism. A few instances of apparent sabotage had even occurred.

The center manager decided to reengineer the center and hired an outside consultant to help. The consultant suggested that they start with strategy clarification. A strategy team determined that the business was following a production-capacity-focused, low-cost strategy, resulting in special attention on maintaining work flow and holding down costs. When the team gathered information about service to the plants, however, it discovered that they were using only about one-third of the information provided by the center, because plant personnel didn't know how to request specific information.

Initially, this finding called for redefining center employees' roles: they needed to spend less time preparing standardized reports and more time consulting with plants about their specific information needs. The reengineering effort ultimately led to a decision to discontinue the corporate analytical center and transfer analysts to individual plants. The corporate R&D division retained a few of the center's analysts, because their work required expensive equipment, but the company was able to eliminate or allocate to the plants more than 70 percent of the cost of running the center. Morale problems disappeared when analysts

transferred to the plants and began establishing closer client relationships.

Differentiating Between Value-Added and Essential Support Work.

Value-added support work helps the UCA run smoother, faster, and cheaper. A good example of value-added support work comes from American Hospital Supply. Technology development is not part of American Hospital Supply's UCA, but when the company developed computer systems and placed them in the hospitals it served, this facilitated UCA work. The on-site computer systems performed value-added support work in two ways. First, the systems improved hospitals' inventory control, so the hospitals knew what and when to reorder. Second, because the computers were linked to American Hospital Supply, they provided hospital workers with quick access to supplies and ensured that the supplies would be reordered through American Hospital Supply.

Essential support work helps companies stay in business, but does not facilitate UCA work. A good example of essential support work is report preparation for the Internal Revenue Service. Filing IRS reports is essential work, but it does not create competitive advantage. Companies can be world-class at filing IRS forms and still be uncompetitive.

One way retrofitted BPR achieves greater efficiency and effectiveness is by tightly linking value-added support work with the UCA, while separating essential support work from the UCA. Essential support work is typically more structured and routine than value-added support work, and structured, routine work often displaces unstructured, nonroutine work.

The experience of a major energy company demonstrates the benefits of differentiating between value-added and essential support work, and then managing them separately. The company's information systems group was spending about 80 percent of its time and resources updating the accounting and financial records systems, which it realized was essential, but not value-added, support work. This led the group to ask a critical question: What kind of information system did their internal UCA customers really need? They concluded that the information system that would

best facilitate UCA work was one that would help geologists and geophysicists integrate data they were collecting to exploit energy resources. Because they were expending so much effort supporting the accounting and financial information systems, however, only 15 percent of their effort went to supporting the geologists and geophysicists.

At least part of the reason management viewed the information systems group as overhead was that most of their time was spent on essential support work. Over a two-year period they implemented dramatic changes in how they performed their support role. They divided into two groups, one dedicated to value-added support work and the other to essential support work. Gradually, resources shifted in favor of value-added support work for exploration.

The group responsible for essential support work eliminated nonessential work and streamlined their procedures so others had to spend less time completing reports. The information systems group realized it was making significant progress when, for the first time in five years, management concluded that the company was not spending enough on information systems.

Reengineering Information Processes to Provide Real-Time Information

Few management ideas are truly revolutionary, but retrofitted BPR is one of them. It provides organization decision makers with the real-time information they need to make real-time strategic and operational decisions. This unique and immensely valuable capability is possible only when business processes and information processes are reengineered together using REAL BPM. Information processes are created in the image of business processes. They are the virtual reality of business processes.

This is not a virtual reality system in the sense that someone can strap on 3-D headgear and experience business events as if they were happening. Decision-makers, however, can query the information system for any kind of useful information about business events as they are happening with perfect confidence that the information is available and that they will receive it instantly.

This information system is the high-tech version of Plato's cave, in which decision-makers see high-resolution shadows of business events on the wall. Unlike the prisoners in Plato's cave, decision-makers are not deceived because they are able to view what is happening with tremendous clarity. While receiving information may not be the same as seeing business events, a decision maker's unique vantage point does not diminish, and may even enhance, his or her understanding of those events.

Figure 2 presents a high-level depiction of how retrofitted process reengineering supplies decision-makers with real-time performance information. An established strategic direction, as well as opportunities and threats in the business environment, influences decision processes. The outputs of decision processes are instructions. Instructions trigger information processes that, in turn, provide the stimulus for business events. The execution of business events creates data that is recorded, maintained in a data repository, and then reported to decision makers in response to their requests for useful information.

Because information processes are the virtual reality of business processes, they can cut the decision cycle in half. The link between information processes and business processes can remain invisible to decision makers. The only thing decision makers need to worry about is their link with information processes.

Their behavior follows the pattern of a simple intentional behavior chain: decision-makers clarify intentions, act (send instructions), and evaluate the performance consequences of actions taken. Because their evaluations flow from real-time information, they can respond to problems when they arise, not after they have become bigger problems. This, then, is a technology that supports real continuous improvement and delivers almost immediate response times.

Comprehending the magnitude of the differences between traditional information systems and a virtual-reality system is difficult without the benefit of contrast. Bob Elliott, partner at the national office of KPMG/Peat Marwick, recently quoted a CEO friend, who said, "Trying to run my company with the output of the accounting department is like trying to fly an airplane with only one gauge on the instrument panel—and that gauge tells me the sum of airspeed and altitude. If it's low, I'm in trouble, but I don't even know why!"[5]

The virtual reality offered by retrofitted process reengineering places executives, managers, teams, and workers in the cockpit of an F-15 with all the gauges and instrumentation they need to respond to unanticipated events and complete a successful mission. But they can also reengineer the instrument panel around their specific strengths, weaknesses, and information needs so that they receive all the information they need and none of the information they don't need.

A Vision to Guide Retrofitted BPR

Imagine this vision of retrofitted BPR. A cross-functional team assumes responsibility for a business process. Team members take different views of the business process based on their functional training, but they also share a basic understanding of what they do as a team and how it fits the overall business strategy.

The team receives real-time measurements of business process performance. Appropriately, team members focus on different measurements, and they take and argue different positions. Occasionally conflict arises, but ultimately team members work out their differences, and a consensus emerges about what to do next.

The team assumes complete decision-making authority for the process. Team members decide where to locate people and equipment, how to allocate resources, what assignments to make and to whom. In general, they improve the execution of each event in their business process. They feel ownership and resulting pride when their efforts are successful and disappointment when their efforts fail.

This vision of an empowered, team-based organization guides retrofitted BPR. Because it clarifies the relationship between organizational design and the design of work, the vision supports current initiatives to bust bureaucracies and create team-based structures. In the end, retrofitted BPR links empowered individuals and teams directly to business events that deliver value to customers. And delivering value to customers is what competitive advantage is all about. ▣

Notes

1. See Michael Hammer, "Reengineering Work: Don't Automate, Obliterate," *Harvard Business Review*, July–August 1990.

2. J. Moad, "Does Reengineering Really Work?" *Datamation*, 1 August 1993.

3. See Thomas A. Stewart, "Reengineering: The Hot New Management Tool," *Fortune*, 23 August 1993, and J. P. McPhartlin, "Just Chasing Rainbows? Critics Brand Much of the Reengineering Clamor as Sheer Marketing Hype," *Information Week*, 1 February 1993

4. For a more in-depth discussion, see L.T. Perry, R. Stott, and N. Smallwood, *Real-Time Strategy: Improvising Team-Based Planning for a Fast-Changing World*, (New York: John Wiley, 1993).

5. Robert Elliott, "U.S. Accounting: A National Emergency," *Financial Reporting and Standard Setting*, American Institute of Certified Public Accountants, 1991, p. 21.

FIGURE 2: Business, Information, and Decision Processes
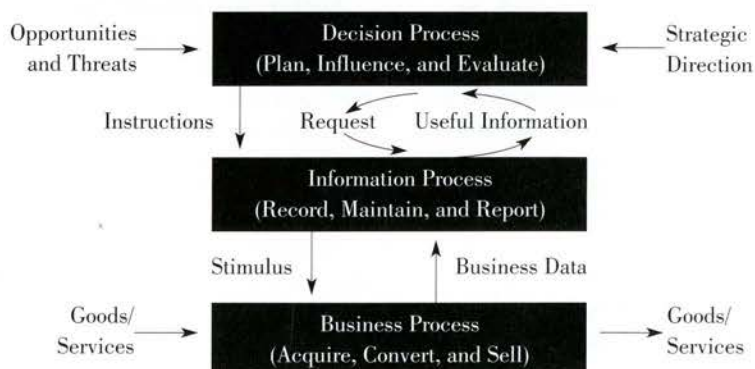
EXHIBIT 3: Example of Customer Feedback Measurement Tool

Importance Scale		CUSTOMER SATISFACTION INDICATORS	MEETING CUSTOMER REQUIREMENTS					IMPROVEMENT RATING				
1=Not at all Important 2 3 4 5=Extremely Important			1	2	3	4	5	1	2	3	4	5
A		**Accessibility** Are we accessible when you need us? • In person • On the phone • Convenient hours	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
B		**Responsiveness** Do we respond to you in a timely manner? • Ideas/suggestions • Order status • Turnaround time • Return phone calls • Requests for information	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
C		**Problem Solving** Do we provide effective solutions to your problems? • Find ways to write business • Resolve complaints • Creative and innovative	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
D		**Understanding Your Needs** Do we understand your needs? • Understand your business • Understand your operating environment • Understand your processes	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
E		**Attitude of Personnel** Does our team demonstrate a positive attitude? • Cooperative • Flexible • Enthusiastic • "Can do" attitude • Courteous	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
F		**Competence of Personnel** Do we demonstrate the skills necessary to do our jobs effectively? • Knowledgeable • Responsible • Professional • Experienced	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

1=Sometimes meets   4=Occasionally meets
2=Usually meets   5=Always exceeds
3=Always meets

1=Declined significantly   4=Improved
2=Declined   5=Improved significantly
3=Stayed the same

QUALITY (Continued from page 9)

Real-World Application

Let's look at how these five steps have been applied in a real-world setting. In 1993, the Commercial Lines Group of the Kemper National Insurance Companies developed and launched a quality initiative. An important part of this initiative was to identify the expectations of one of our primary customers, specifically independent agents who submit insurance risks for us to underwrite.

With questionnaires, face-to-face interviews, and focus groups, we identified our agents' expectations. One expectation was the need to handle policy error corrections more quickly. Despite our best efforts to issue policies correctly the first time, we occasionally made errors. Our agents' clear message was that quicker policy correction is a high priority to them and, in turn, to the policyholders we collectively serve.

Responding to this information, we developed a procedure to process policy corrections within three working days of receipt. The procedure even gives employees the latitude to handle policy corrections in fewer than three working days to meet a special customer need.

Because of this new procedure, employees sense a greater degree of accountability to process work correctly the first time. Further, they develop specific short-term action plans when new error trends emerge. As a result, we quickly resolve new error trends when they develop.

As we make significant progress in reducing policy errors, we can offer appropriate recognition on an individual, team, department, or office basis to encourage further progress and achievement.

Integrating Quality Into the Organization's Culture

An effective quality initiative involves a full circle of five important steps that companies need to continually repeat:

• Identify customer expectations.

• Give employees the latitude to exceed customer expectations.

• Hold employees accountable for doing things right the first time.

• Measure results and initiate short-term action plans to continuously improve results.

• Recognize and reward achievement of key objectives and goals.

Implemented properly, quality should lead to increased sales, reduced expense, improved productivity, and more profit. If a quality initiative fails to improve results, management should reexamine it to assure that one of the steps hasn't been overlooked or implemented improperly.

Ultimately, quality—as defined in this article—needs to become part of an organization's culture, the way it operates day in and day out. Only then will we fully understand and solve the mystery about quality. ⓔ

Book Reviews

by Roger Terry

From time to time we receive requests for a suggested reading list, books alumni might be interested in reading. For this reason we have decided to review three books in each issue of EXCHANGE.

We Are All Self-Employed: The New Social Contract for Working in a Changed World by Cliff Hakim. Berrett-Koehler Publishers, hardcover, $24.95, 220 pages.

Cliff Hakim, a career consultant and author of *When You Lose Your Job*, has written what might be called a survival guide for those who work in today's turbulent and insecure global marketplace. With job security a thing of the past, each of us, Hakim maintains, must take full responsibility for our career mobility and job productivity. The alternative is to be either paralyzed by fear or left behind by organizations that have no need for inflexible, risk-averse, title- and power-driven workers.

Employees, on the other hand, who abandon the dependence fostered in yesterday's bureaucratic economy and adopt a self-employed mentality will be better equipped to succeed in the challenging work environment of the '90s and beyond.

Hakim focuses on three central questions: *What do I want to do? What skills do I bring to the marketplace?* and *What will others pay me to do?* His discussion of six core beliefs that define this self-employed attitude is both readable and pertinent to today's work environment,

but begs one nagging question: If adopting a "self-employed attitude" makes an individual more valuable to today's businesses, wouldn't companies benefit even more by actually making workers self-employed, by giving them a piece of the ownership pie?
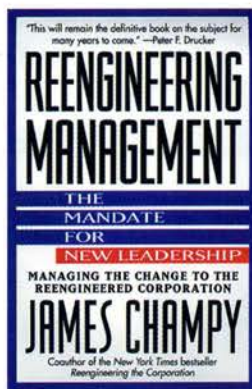
Reengineering Management: The Mandate for New Leadership by James Champy. HarperBusiness, hardcover, $25, 205 pages.

James Champy, who coauthored *Reengineering the Corporation* with Mike Hammer, has written a new book on reengineering. His follow-up effort, however, does not live up to expectations generated by the success of his earlier best-seller.

The premise of *Reengineering Management* is that "reengineering is in trouble." Many companies, says the author, have tried to reengineer *work*, the focus of the earlier book, but have failed because they have not simultaneously reengineered *management*. With this simple thesis, Champy then launches into a wandering, focusless, and unconvincing discussion of "the mandate for new leadership."

This book can't decide what it wants to be. Sometimes it reads like an advertisement for reengineering *work*, the topic of its predecessor. Sometimes it reads like an outdated manual on employee empowerment. Most of the time, though, it reads like a sequel that was written for the sole purpose of making a buck.

The greatest flaw of this book is that it brings nothing new to the table. I have read all of Champy's major points somewhere else—usually five to ten

years ago. If he were a more insightful writer, this would be a minor obstacle, but Champy is no Warren Bennis on leadership; he is both less thorough and less original than Gifford and Elizabeth Pinchot on replacing bureaucracy; and his treatment of adopting new values and creating a "culture of willingness" is mediocre at best. Save your money on this one.
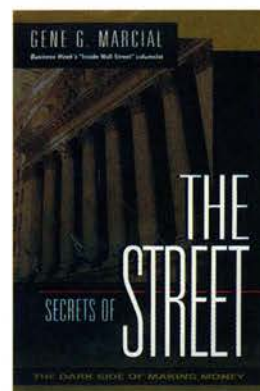
Secrets of the Street: The Dark Side of Making Money by Gene G. Marcial. McGraw-Hill, hardcover, $20, 238 pages.

By far the most interesting book of the three is Gene Marcial's inside look at the workings of Wall Street. Marcial, *Business Week*'s "Inside Wall Street" columnist for the past 13 years, reveals the shocking story of *how* many Wall Street professionals (and their friends and clients) make millions.

If, like most business people, you do not know what a bagman is—or a gate-keeper, a tipster, a market maker, or a front-runner; if you don't understand what "painting the tape" is or why program and SOES trading actually hurt the small, unsophisticated investors they were designed to protect, then you need to read this book. Unless, of course, you want to sleep peacefully.

The scandals of the '80s, Marcial claims, had little effect on how Wall Street does business. The professionals continue to make money the old-fashioned way—through insider trading and market manipulation. This is a disturbing book that will make most readers reassess their own participation in a financial system that desperately needs reform.