

EXCHANGE



WINTER 1989
THE J. WILLARD
AND ALICE S.
MARRIOTT SCHOOL
OF MANAGEMENT
BRIGHAM YOUNG
UNIVERSITY

The Marriott
School

Editor's Note

We are pleased to devote this issue of EXCHANGE to the events of October 28, 1988—one of the most significant days in School of Management history. This issue contains edited transcripts of the Marriott School announcement ceremony; a presentation by J.W. Marriott, Jr., to the National Advisory Council; and the International Executive of the Year dinner honoring J. Willard Marriott, Sr. You will also find an article specially prepared by Dean Thompson, in which he discusses the Marriott School's plans and priorities, and an article on balancing family life and career by Butch Cash, a School of Management graduate who is an executive vice-president of Marriott Corporation and president of the Marriott Services Group.

It is appropriate, at this time of change in the school, to announce some significant changes in this publication. EXCHANGE has traditionally addressed a particular theme in each issue. Recently we have discussed retailing, ethics, international business, information systems, and entrepreneurship. We will continue to give each issue a theme, but we will devote fewer pages to that theme. This will enable us to appeal to a broader range of interests in each issue. We will also include more material from students by printing the top papers from an EXCHANGE-sponsored student article contest.

Another area that deserves attention is material about and from alumni and friends of the school. Although we don't want EXCHANGE to become an alumni newsletter, we welcome profiles of School of Management alumni and articles written by our readers that would be suitable for publishing in EXCHANGE. If, therefore, you have a good idea for an article—whether it be an alumni profile or an article on some facet of management—please send me a one-page, double-spaced summary of your idea. If it looks interesting and fits the type of material we publish, I will ask you to submit a complete manuscript. We are very interested in articles from readers. And, as always, we welcome any correspondence, even if it is merely to correct our spelling of "Tianguis." I'm still at 687 TNRB, Brigham Young University, Provo, Utah 84602.



Roger K. Terry
Editor

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Publisher

Paul H. Thompson

Editor

Roger K. Terry

Copy Editor

Byron Bronk

Art Director

Linda Sullivan

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All communications
should be sent to
EXCHANGE, 687 Tanner
Building, Brigham
Young University,
Provo, Utah 84602.
Telephone (801)
378-5629.

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by John Snyder.





**A NEW ERA FOR
THE SCHOOL OF MANA**



GEMENT



On October 28, 1988, President Jeffrey R. Holland announced the naming of the School of Management after J. Willard and Alice S. Marriott and a \$15 million gift to be made by the Marriott Foundation to the school's endowment fund. We are excited about the naming of the Marriott School and the additional resources that will be available to us. The naming is not merely a formality in this marriage of academic and corporate excellence: a school that emphasizes its three-fold commitment to ethics, entrepreneurship, and international business could bear no finer name, a name that has become synonymous with international excellence, entrepreneurial success, and high ethical standards. This announcement marks a new era for the School of Management at Brigham Young University.

Over the years we have developed some very strong programs: accounting, retailing, MBA, public administration, information management, and organizational behavior, to name a few. As a step to further develop these disciplines and integrate them into a more focused concept of management education, we have chosen to emphasize the three broad themes mentioned above. Ethics, entrepreneurship, and international management have not only become pivotal issues that American businesses must address if they are to serve the needs of our society, but they also encompass the areas of strength in the Marriott School and provide a common ground where interdisciplinary research and communication can be pursued.

The Ethical Foundation of Free Enterprise

The free market system serves society inefficiently, at best, when ethics are ignored. Trust, the very foundation of America's unique economic experiment, endures only in an atmosphere of integrity and expected honesty. But in America today, both industry and government face the valid criticism that a breakdown in traditional values has led to escalating fraud in industry, scandals in government, and a pervasive "bottom-line" mentality. We cannot make these problems vanish by merely acting astonished. We must actively seek solutions.

The Marriott School is uniquely quali-

fied to answer this criticism, for we view ethics as more than a program in convincing students that the cost of getting caught outweighs the potential rewards of crime. We teach ethics at the value level, with a firm conviction that correct and proven values can be strengthened or even adopted at age 20, 25, or 50 and that individual behavior will conform to a person's values. We also try to change the idealistic perception of many students that right and wrong are always as clearly distinguishable as black from white into a more realistic awareness of the complexity of ethical issues and the difficulty of making ethical decisions in actual business situations.

The Marriott tradition of ethical excellence will also lend additional weight to our emphasis on this most vital area of management education. The name and reputation of the Marriott family will be a constant reminder to students that honesty, hard work, and treating both customers and employees fairly are qualities that are completely compatible with success.

The Entrepreneurial American Spirit

The key to America's success is, as it has always been, the innovative spirit. The Japanese can compete with their unrivaled efficiency, the Koreans and Taiwanese with their low-wage labor, the Germans with their superior engineering, but the lifeblood of the American

economy has always been the new idea. Industries and jobs and a world-class standard of living have been created by such ideas as the automobile, the personal computer, the photo-copy machine, the drive-in restaurant, and the television. Much criticism has recently been leveled at those who play the ever-expanding merger and acquisition game with existing assets instead of developing new assets and innovative technologies.

At the Marriott School we have discovered that many of our students want to become entrepreneurs, and a significant number of our alumni have created their own paths to success through entrepreneurial endeavors. The Marriott School recognizes the need for new methods of reaching out to and educating this expanding group. We have therefore established courses, seminars, and special lectures to meet the needs of those with entrepreneurial inclinations.

The J. Willard and Alice Marriott story is one of the truly great examples of American entrepreneurial success—a success that continues to expand through frequent and ingenious product innovation. The naming of the school after this remarkable couple is a confirmation of our commitment to the creation of new ventures, new products, and entrepreneurial opportunities. We want to do all we can to encourage the innovative spirit that has always been the foundation of the American Dream.

An International Focus

The unfolding world economy requires an outward focus, a recognition of the interdependence of nations, businesses, and governments. It was the competitive provincialism of many American companies that kept them from seeing what was happening in Japan and made the entry of high-quality, low-cost foreign goods so devastating for many industries.

The expanding global economy touches almost every industry and market. Managers and students must, therefore, learn to look beyond the financial ratios and marketable skills and see the larger environment that will increasingly encompass their careers. An understanding of foreign languages, cultures, governments, and business practices is crucial to America's ability to compete in this environment.

Because of the international experience of both students and faculty at the Marriott School, we can make a significant impact in this area. A recent article in *U.S. News & World Report* stated: "The country's highest density of foreign-language skills is not in Cambridge or Berkeley but in Provo, Utah, on the BYU campus. If the U.S. is worrying about how to cope with a confusing, multilingual, Asian-ascendant world, the Mormons are well equipped to help."¹

More than 40 percent of the undergraduates and 60 percent of the graduate students in the Marriott School are fluent in a second language. This language background has led many students to a serious interest in international business, and because of this interest we have expanded our curriculum to satisfy these students. The International Executive Lecture Series and several new courses in international management offer students significant opportunities to prepare for careers in the international arena. In addition, faculty visits to such countries as Finland, the People's Republic of China, Japan, Korea, Scotland, and Singapore bring current international research and issues into the classroom experience.

The Hills Just Ahead

In President Spencer W. Kimball's charge to President Holland at his inauguration, he said: "It should be obvious to us all that the ultimate future of BYU is partially hidden from our immediate view. Until we have climbed the hills just ahead, we cannot glimpse what lies beyond. And the hills ahead are higher than we think. We cannot be transported over them without meeting demanding challenges."

We feel that our efforts in ethics, entrepreneurship, and international management will help the Marriott School climb those "hills just ahead" and give us a clearer view of our ultimate future. The example of J. Willard and Alice Marriott will add greatly to our success and progress. Their legacy of honesty, hard work, entrepreneurial spirit, and international excellence will beckon us on to greater heights.

But there is one challenge that we must meet if we are to climb the hills ahead. It is the challenge of leadership. One of the harshest criticisms leveled at

business schools today is their inattention to developing effective leadership skills. And this criticism comes as readily from professors and students as from the executive suite. Said one business school graduate: "My lasting regret is that I spent \$40,000 to learn useless tools from academicians who never worked for a real business. I can crunch numbers to death, but I didn't learn anything about managing, motivating, and leading people."² Two professors from the University of California and the University of Oklahoma recently conducted a major study on business education. Consequently, they have urged schools to pay more attention to the impact of global competition on business, to develop leadership skills in their students, and to integrate marketing, production, and finance in the curriculum.³ And Andrew S. Grove, chairman of Intel Corp. complains, "The art and practice of managing people is a nonsubject. I pointed that out to a dean, and he said, 'We tend to think that trying to teach students that in the classroom is like trying to teach animal trainers with stuffed animals.' It's like, why use a pilot simulator to teach people to fly? Why not have them go out and crash planes? It's inane."⁴

The School of Management now bears the name of two people whose very lives embody the qualities that seem so missing in management education today. The funding we receive from the Marriott Foundation will be used to increase our effectiveness in educating leaders.

The three themes we have chosen to emphasize lend themselves well to this effort, because a strong leader in today's world must possess sound values and unquestioned integrity, must show the willingness (and accept the necessary risk) to create and develop new products and ideas, and must be confident operating in a global economy. Beyond this, a leader must have a solid technical education—and by this I mean a sound understanding of products, processes, and achieving quality—not just the ability to crunch numbers and manage ratios.

Leadership and Experience

Our programs will increasingly focus on experience—experience that will help students develop communication and

interpersonal skills and allow them to apply the concepts they learn in class—for leadership preparation is closely tied to experience. Leaders are not created in an academic vacuum.

Indeed, many of our students come to us already having significant leadership experience in business, community, and church. One faculty member mentioned that in his undergraduate advanced operations course fully half the students had worked full time in management or supervisory positions for such companies as American Express, Signetics, Westcon, and Novell. They were combining their academic training with significant management experience.

One advantage of the Marriott School, that most people see only in terms of foreign language capability, is the mission experience a majority of our students have. To give some proof about how significant this experience is, let me quote James Fallows of *U.S. News & World Report*:

"Language skill is the most obvious result of [the missionaries'] foreign exposure. . . . But [they] learn something more than language. Like most Peace Corps veterans, returned missionaries often seem to have changed when they come home. . . . The former missionaries also seem deepened simply because they've had to give two years of their lives to a cause other than the advancement of their own careers. . . .

"The best of the Mormon missionaries . . . have a quiet, confident goodness that we like to think of as typically American. . . . I've been converted to think that their missions make America a wiser, more competitive country and certain Americans stronger, better people."⁵

In the Marriott School we try to add upon the experience our students bring to their course work. Our MBA curriculum includes a relatively new idea called integrative exercises. These exercises take first-year students out of the usual classroom experience for two days and cause them to work in groups, analyzing a case and presenting their recommendations to a group of faculty members. The cases require them to analyze a company from several perspectives, using disciplines as diverse as accounting and organizational behavior. Through these group exercises the students learn

communication skills—both within the group and in making formal presentations—and learn to appreciate and use the strengths of other group members. Second-year students have a similar, though more involved, experience in a computer simulation exercise.

The curriculum itself is also becoming more and more directed toward educating leaders. Courses covering such topics as personnel management and labor relations, ethics for management, business-government relations, management philosophy and style, managerial leadership development, and dynamics of interpersonal behavior give students a foundation for analyzing their own behavior and refining their management philosophy.

Several courses in the Marriott School involve students in consulting projects as part of their course work. Kathy Buckner, assistant director of the Utah Small Business Development Center (located in the Tanner Building), relates in a *National Business Employment Weekly* article how many Marriott School students have benefitted from their course-related consulting with small and medium-sized businesses.

For example: "While earning a B.S. in finance at Brigham Young University, John Davis got to know a group of professors who were spearheading an effort to save Geneva Steel Works, a troubled USX steel plant in nearby Orem, Utah. Many of the plant's employees were interested in buying the plant under an employee stock ownership plan. John's finance skills were crucial to helping produce their feasibility study.

"The project counted toward class credit, but much more important was the chance to work with an interdisciplinary team of students and professors on a vast array of management issues. As John moved on to graduate studies in organizational behavior, he stayed involved with the task force, which grew to include community leaders and managers of other local firms."⁶

"Lydia Chan, an MBA student from Hong Kong, found that her marketing degree carried more weight with potential employers because of the projects she'd completed for two small companies: an exhaustive study of the interactive video market for a high-tech start-up, and a report on promising tar-

get markets for a local manufacturer's products. Both companies implemented Lydia's suggestions. . . .

"Working as a consultant to local businesses lets you influence actual management decisions by placing you in a role typically reserved for experienced specialists at large companies."⁷

Beyond the academic experience, students have more opportunities to develop leadership skills at BYU than at perhaps any other university. Many choose to participate in student government and service organizations, including the Marriott School's student council. But one unique characteristic of Brigham Young University that has great impact on leadership experience is its church-related status. More than 150 congregations have been organized for student worship. These "wards" offer students many opportunities to serve, since most leadership positions are filled by the students themselves. Many of our management students, besides completing their course work, serve as presidents of priesthood quorums or service auxiliaries and gain invaluable practical experience while obtaining their degrees.

Considering the quality of our students and the combination of practical experience and conceptual education they receive, the Marriott School should be producing the finest leaders in this country. And we intend to do just that. We are moving forward, in both the quality of the educational experience we offer and the resources that will help us climb the hills just ahead. Both the Marriott name and the financial support from the Marriott Foundation will be invaluable in the school's efforts to graduate ethical individuals, successful entrepreneurs, and leaders who are well prepared for an expanding global economy.

Notes

¹James Fallows, "The World Beyond Salt Lake City," *U.S. News & World Report*, May 2, 1988, p. 67.

²John A. Byrne, et al., "Where the Schools Aren't Doing Their Homework," *Business Week*, November 28, 1988, p. 84.

³Ibid.

⁴John A. Byrne, et al., p. 85.

⁵James Fallows, p. 67.

⁶Kathy Buckner, "Consulting While Still in School," *National Business Employment Weekly*, Fall 1988 reprint, p. 1.

⁷Ibid.

ANNOUNCEMENT CEREMONY



MARRIOTT SCHOOL OF MANAGEMENT

PRESIDENT JEFFREY R. HOLLAND:

On behalf of the students, faculty, staff, and administration of Brigham Young University I extend a very warm and a very special welcome to all who have joined us here in the Tanner Building on this stunningly beautiful autumn afternoon. Some of you have come great distances indeed. We thank you for your effort to be here.

Seated on the stand with us are President Gordon B. Hinckley, first counselor in the First Presidency of The Church of Jesus Christ of Latter-Day Saints and first vice-chairman of the BYU Board of Trustees. President Hinckley represents the board and its officers here today. President Hinckley also serves as the chairman of the board's executive committee and in that capacity has given an im-

mense amount of very personal attention to the arrangements that have led up to this day.

Of very special importance today is the presence on the stand of J. Willard and Donna Marriott — Bill is chairman of the board of the Marriott Corporation — and Richard E. and Nancy Marriott — Dick is vice-chairman of the board of the Marriott Corporation. We will be pleased to hear from both of the Marriott brothers during the course of today's events. Dick will re-



These remarks are excerpted from the ceremony announcing the naming of BYU's J. Willard and Alice S. Marriott School of Management, which took place on October 28, 1988, in the Tanner Building auditorium.

spond for the family in this announcement meeting this afternoon, and we will be pleased to hear from Bill later this evening.

I feel it is important to say that as we have planned this event with the Marriott family, Sister Allie Marriott has been involved every step of the way. She has been a delight to work with. She and we had hoped that she could be with us today. She is recovering from recent surgery and is doing fine, but has been advised not to travel yet. So we extend to her our love and our best wishes.

Also seated on the stand are Ted D. Simmons, vice-chairman of the board of Mutual Beneficial Life Insurance and Chairman of the BYU School of Management National Advisory Council; Sterling D. Colton, senior vice-president of Marriott Corporation; Commissioner J. Elliott Cameron, commissioner of the Church Educational System; Jae R. Ballif, provost and academic vice-president of Brigham Young University; Paul H. Thompson, dean of the School of Management; and Ben E. Lewis, executive vice-president emeritus of Brigham Young University and BYU's near forty-year institutional tie with the Marriott family. We also welcome several



general authorities of the Church who are with us today and seated in the audience.

The School of Management at Brigham Young University has long had the reputation of providing a superb undergraduate and graduate experience in business and management-related education. The school has an outstanding faculty, men and women trained by and recruited from the very strongest universities in the nation, who are productive scholars with a very special and strong commitment to teaching and to student interaction. But even as I say that, a similarly strong assessment could be made of several other equally outstanding management programs in the nation.

We feel that one thing which sets BYU apart, even in the company of the very finest schools, is our determined and conspicuous effort to teach and reinforce and integrate fundamental ethical and moral values in all phases of our students' lives. That is where this faculty, this school of management, and this university ultimately must make their greatest contribution in the demanding and competitive world of commerce and industry. The virtues of honesty, integrity, hard work and moral sense have permeated these classrooms from their earliest beginnings as an academy more than a century ago. The BYU School of Management is committed to continuing that ambitious search for the most effective ways to prepare students for success in the world of business and management. That quest and that success will always be founded upon, indeed can be achieved in no other way than upon, the highest principles of personal integrity and professional conviction.

Now with these objectives of both academic and moral excellence marking our past and lighting our future, it is with immense personal pleasure that we announce this afternoon that this school is being named the J. Willard and Alice S. Marriott School of Management at Brigham Young University. We are immensely proud, deeply pleased, that this school will bear the name of two people who not only mean so much to Brigham Young University personally, but who also exemplify in a profound and public way the many virtues and qualities and personal strengths we wish to encourage and establish in our students. The naming of this particular academic

program for this particular couple is as important on this campus as it is rare. This is a blue-letter day in the history of this university, one which moves the School of Management towards its ultimate destiny in a bold and dramatic way.

We also announce today that the Marriott Foundation is making a major gift of \$15 million to the School of Management to facilitate our efforts in reaching those newer, higher levels of excellence in management education. Furthermore, the Marriott family has challenged the School's National Advisory Council to raise an additional \$15 million to match this generous gift and thus provide a most impressive endowment to propel our management programs into the 21st Century. The National Advisory Council has accepted that challenge.

This generous support by the Marriott family through the auspices of the Marriott Foundation guarantees continued growth and success on the national and international frontiers of learning in a program that now proudly bears the name, the J. Willard and Alice S. Marriott School of Management at Brigham Young University.

The Marriott family response will be given by Richard E. "Dick" Marriott, after which President Gordon B. Hinckley will pay tribute to J. Willard and Alice S. Marriott and unveil the plaque that will be located here in the N. Eldon Tanner Building.

RICHARD E. "DICK" MARRIOTT:

Friends, it is great to be with you today. This is an exciting event, and I really do appreciate all the praise that we have been hearing. I'm sure my father is up there looking down on us, commenting on what we should be doing better down here. He was the all-time perfectionist, and he loved BYU, and he always thought we could do better. And I think this is one of the ways we can show him how we are trying to do a little better. I think it is very fitting that this management school is being named after both my father and my mother, because they were truly a team. As I look back on our youth, I remember they both had three major priorities in mind: family, church, and business. They wanted their children to be successful in all three. And that success, as I have learned down

through the years, is really based on three primary factors: morality, education, and a lot of hard work.

I am going to dwell on education here because we are in an educational setting today. And I think, looking back on the lives of my father and my mother, that they had notably different educational experiences. My mother was brilliant. I'm not saying my father wasn't, but my mother really was brilliant. She attended the University-of-Utah-sponsored high school that was just a couple of blocks from her home. She lived within walking distance of the school, and she really benefited from all the advanced programs there. She graduated at the age of 15 from high school and went on to the University of Utah. There, at the age of 19, she graduated with highest honors as a member of the Phi Kappa Phi Honorary Society. She breezed through school and made it look easy.

Dad, on the other hand, almost didn't make it through elementary school. His father was a successful sheep rancher, and Dad spent most of his time out either herding the sheep or hoeing sugar beets and rarely got to class. And as a result he almost didn't get promoted into seventh grade. I read a little bit in his history the other day, and if it hadn't been for his fine performance on a geography quiz at the end of his sixth-grade year, they would not have promoted him into the next grade. So he just barely made it out of elementary school. And I don't think he ever did graduate from high school. The only way he got into Weber College is that he knew the director of admissions, Aaron Tracy, and Aaron had great faith in my father. He said, this is a hard working young man, and we think he can make it, so he let him in. But he worked his way through Weber by selling advertising for the Weber Herald, working as a salesman and a stock boy at the college bookstore, serving on the editorial staff of the Weber Herald, and in his spare time he served as president of the student body.

After serving his mission on the East Coast and graduating from Weber, he enrolled in the University of Utah, where he studied history and political science. He paid for this segment of his education by selling long black woolen underwear to the logging camps in the Great Northwest. That was during the summer. In the

winter he worked for Frank Richards, who had a food catering service for the campus. He spent most of his free time servicing the fraternities and sororities and bringing in the sandwiches and soft drinks for their parties. I assume they were soft drinks.

Even then his father was still working on him to herd sheep, and what my father thought was going to be his senior year was actually nine months on the range, driving 10,000 sheep from Elko, Nevada, to Ogden, Utah. He finally did make it through his senior year in college at the age of 26, and he did graduate and accomplish two important things that year. First, he met the girl of his dreams, little Allie Sheets, who was seven years younger than he was—and I think little Allie Sheets' mother was scared to death when this old gnarled shepherd walked into the room and said he wanted to take her daughter out. Another thing he did was to go down to Sacramento, California, and meet a couple of guys named Allen and Wright. They had a funny-looking root beer stand down in the center of Salt Lake City, and he got a franchise from them to sell their root beer in Washington, Richmond, and Baltimore.

Dad had gotten this idea a few years earlier. He went on a mission to the Eastern States Mission, and on his way home he stopped in Washington, D.C., in August and spent a couple of weeks there visiting some of his friends. When he got back to Utah I think the only thing he remembered about Washington was not the great government, which I don't think was much more effective then than it is now, but he did remember how hot and muggy it was. He said, "Gee, if all these folks in Utah are buying this root beer, think what they will do with this product in hot, muggy, miserable Washington." So he was pretty sure this was something he wanted to get into, and at the urging of his good friend, Hugh Colton, who was back at George Washington University getting a law degree, he went back to the great city of Washington in the Spring of 1927, and he and Hugh got together and rented a little eight-foot-wide cubby hole in a bakery shop. They put in a nine-seat root beer stand and opened up for business on the same day Lindbergh flew across the Atlantic.

Dad, shortly thereafter, got on a train,

went back to Utah, saw his little sweetheart graduate from the University of Utah, and had two other things in mind. One, he wanted to collect on his long underwear commissions. He had been selling this long underwear up there in the Great Northwest, and they hadn't paid him all his commissions, and he was planning on that money to kind of carry him through the next few months. And the next thing was to marry this sweet little Alice Sheets.

The first priority in this particular case was to go up and get the money so that he could afford to take Allie Sheets back to Washington. He went up to Ogden, and these guys gave him the runaround—his first true business experience. They said, "Hey, all these guys defaulted, they didn't buy the underwear after all. You don't get your commissions."

He spent all day up there; finally he got back to the temple, two hours late for the wedding. My mother was scared to death that he had run out on her. But they did get married, and then he broke the news. He said, "Honey, I ain't got no money." So his new mother-in-law came up with the answer. She cancelled the reception. Not because she was embarrassed that her new son-in-law was broke, but to save the \$200 she was going to spend. So she handed the \$200 to this new young couple, and they hopped in their Model T Ford and took off to make their fortune in Washington. And that was the start of a great company.

Well, Dad handled the operations. He made sure the root beer was made right. Mother handled the money, which consisted of sticky nickels, she said. All the nickels were coated with root beer. She would have to wash them off before she took them to the bank. Everything just went great. Business boomed. They were taking in at least \$120 a day, which isn't too much in this day and age, but all of a sudden something happened. The weather turned cold. People didn't buy root beer in ice cold mugs with a 30-mile-an-hour wind blowing in November.

So they sat down and tried to figure out what they were going to do. If there had been a graduate school of management that they had attended, they would have probably had a short-term marketing plan and a long-term business plan,

but they didn't have one. So they sat around their apartment and said, "What are we going to do?" Mother said, "I majored in Spanish, and I made a good friend over here in the Mexican Embassy." So she went over to the Embassy and talked to the head chef, who gave her his special recipe for hot tamales and chili. Now hot tamales and chili and root beer are just a wonderful combination, and she said, "I think that will be great, as long as there's a hospital close by."

She worked all night brewing up pots of hot tamales and chili, and Dad went down to the A&W stand, took down the A&W sign, and put up a little sign that said Hot Shoppe. Their marketing consultant told them that if they were going to sell something hot they ought to put it in the name of their restaurant. So they opened up the Hot Shoppe, and that was really the start of what we know today as Marriott.

Thanks to the many problems and misadventures they had during their early days in business, I think they gained tremendous appreciation for the advantages that young people have today with a good business education. Dad often said that one of the most important things we can do for our country and for our church is to be successful in business—and to be honest in business and to help others in doing so. By doing this we can provide not only jobs, but we can provide a good example for our employees and for other business associates.

Dad and Mom provided this example. Their good business decisions were always guided not only by sound business principles, but also by the principles of the gospel and the Spirit of the Lord. These last two elements are essential ingredients in any successful life. And I think it is the single greatest strength of BYU, as President Holland pointed out earlier, that these two elements are strongly emphasized here—more so than at any other university that I know of. I think this is why my father and mother have been so supportive of BYU down through the years. Dad was a charter member of the National Advisory Council, Bill served on it for almost ten years, and I am on it today.

Mom and Dad have always believed in providing the best possible quality prod-

uct in their business, and they felt no differently about education. They felt that BYU should give the best possible education, and, as a result, in 1984 they founded the J. Willard Marriott Endowment for Excellence in Management. This provides for the growth and stimulation of both management faculty and students. In addition, they have continually provided scholarships for young men and women at BYU in all departments. And many of these students wouldn't have been able to come to this great school without that financial help. They also encouraged their family to come here, and I think no greater confidence can be shown than the fact that you have your children go to a particular school. All of my father's grandchildren who have attended college have at one time in their college careers attended BYU. They have had great experiences from it, and they have gotten great wives from it. What more can one ask, right?

Our company has also been a tremendous beneficiary of this school. We have recruited heavily here. We have a lot of our top executives from BYU, and we have learned through much experience that the combination of a solid business education and high moral integrity is absolutely unbeatable. So I salute this great school and its fine school of management. I salute my wonderful parents, who through their success in the business world have been able to help and inspire many young people to pursue good business careers and thereby strengthen this great nation in which we live.

It is the desire of our family that this campaign, which this gift kicks off, will really help the BYU School of Management strengthen its faculty, strengthen its curriculum, improve its already high ranking among the business schools of the United States, and create even more outstanding business leaders for this great country to lead it into the next century.

We appreciate your support. We love you all. And we thank you from the bottom of our hearts for this recognition.

PRESIDENT GORDON B. HINCKLEY: I'm grateful to Dick for that homespun account of the real story of Bill and Allie Marriott. I'm sure that is the way Bill would have had it told. He didn't care

much for the polished phrases. He cared more for the elemental virtues. And as we honor him today, we bring a remembrance of those tremendous qualities that he exemplified in his life.

As I have been sitting here, I have thought of the last time that I saw him alive. He had suffered another heart attack and was in the intensive care coronary unit of LDS Hospital, and I went to see him. There was an oscilloscope beside his bed that recorded the beat of his heart, and periodically there was a little jump, jump, jump. He said with a smile and in his usual laconic way: "Every time that goes up, my heart evidently takes an extra beat." I think that he is perhaps looking on today, and I think his heart may be taking an extra beat as he contemplates the significance of this occasion.

It is a singular and wonderful thing that Allie Marriott and Bill and Dick are doing here. Through their generosity they make it more easily possible for this unique and tremendous school of management to stand on a higher plane, to achieve greater international recognition as well as national prominence—and for its graduates to step into the world of commerce for which they will have been trained. I express on behalf of the Board of Trustees of the university and the General Authorities of the Church our very deep and sincere appreciation for this manifestation of interest and concern for this great school. We express our sincere thanks.

I was with President Benson this morning. After we had finished our business, I told him I would be down here and would read this evening the message which he had prepared, and he started reminiscing about Bill and Allie Marriott. He talked in a very sweet and touching way concerning these his great and treasured friends. Tears fell from his eyes as he spoke of them. It was a tremendous expression of appreciation. Our secretary was there, and he wrote some of his words. I hope he got them all, and I hope I can get them transcribed and perhaps pass them on to these our good friends.

Though J. Willard Marriott is gone from us, I want to let him say a word or two of his own. He spoke, on an occasion when he had been ill and was recovering and again looking forward to activity,

about the three most important things in life:

"One is being born right. I mean by that with goodly parents, in a good land, where there is freedom of worship, freedom to do the things one wants to do, where work and effort will earn a young man or woman an opportunity for an education, an opportunity to develop his or her talents and make a completely successful life in whatever area he or she desires.

"Number two is being married right. Marrying someone who is congenial and has character and integrity, who desires a family life. Building a strong family life is one of our most difficult obligations, but nothing will bring more happiness or success. My wife, Allie, is undoubtedly the most important asset in my life. She has had the same faith and ideals that I've had. I must give her credit for rearing my two sons. I've had such a busy life in business and civic work and Church affairs that I had little time for our family. But she has taken care of our home admirably, always with the boys when they were at home, teaching them, helping them with their lessons, encouraging them, helping them build the kind of character she has herself.

"Third, good habits and protecting our health the best we know how. This will not only lengthen our lives, it will prepare us for death. Life after death? I'm certain there is one, just as certain as I am that I am alive at this moment."

On the basis of that, I am inclined to think that Bill looks with smiles on this occasion and on the occasion that will follow this evening. I'm grateful that this tremendous school of management, which inevitably will grow in importance across the world, will carry the distinguished name of the J. Willard and Alice S. Marriott School of Management at Brigham Young University. Thanks to Allie, who is not here. Thanks to Bill and Dick, who are here. No one can foretell the consequences of that which you do this day in terms of the lives of young men and women who will come here to learn and go across the world to serve.

It now becomes my pleasure to unveil the plaque that will rest in a prominent place in this, the Tanner Building. It reads: "The N. Eldon Tanner Building, home of the J. Willard and Alice S. Marriott School of Management, 1988."

CENTENNIAL CAMPAIGN

Near the close of Karl G. Maeser's term as principal of Brigham Young Academy, he recommended to the board of trustees that a Commercial College be established within the Academy. Minutes of the faculty meeting held December 17, 1890, reveal that this idea was receiving special attention: "The rapid growth of our territory and its great commercial importance make business instructions necessary, and the Academy, as the parent institution of the Church's schools, should take the lead in offering facilities for a commercial education."

In late 1890 and early 1891, leading businessmen of Provo raised nearly \$1,000 to assist in the establishment of the Commercial College, which became a reality in 1891 as the Academy entered its sixteenth year. The stated goals of the new college were concise: "It has been established for the purpose of giving students a thorough business training, such as will equip them for active service in the temporal affairs of life."

From this simple beginning has grown a nationally recognized school of management that will celebrate its centennial during the 1991-92 school year. Dean Thompson, in his article (see page 2), outlined some lofty goals for the Marriott School and spelled out our priorities in achieving them. The Marriott School will not achieve such goals without sufficient resources. Church funding is appropriately limited and will not increase significantly in the foreseeable future. Therefore, additional funding will be required. A portion of these needed resources, as Dean Thompson mentioned, will come as a major gift of \$15 million from the Marriott Foundation. This gift will go directly into the Marriott School's endowment fund in annual increments of \$1 million, and though it will have a significant long-term impact on the school's financial well-being, it will provide limited support for our immediate operational needs. We have therefore accepted the challenge of matching the Marriott gift, and we have chosen the centennial year (specifically December 31, 1992) to mark the close of this fund-raising campaign, since these

funds will be needed in the immediate future. Ted D. Simmons, who has just completed a two-year tenure as chairman of the Marriott School's National Advisory Council, will chair the fund-raising committee.

The question may arise, "What are we going to do with \$30 million?" These funds will go directly into the school's endowment and afford us the opportunity on an annual basis of strengthening the three main thrusts of the Marriott School—ethics, entrepreneurship, and international management—and allow us to more effectively educate future leaders. Specifically, we will use these additional resources to fund scholarships and assistantships for students; provide fellowships, professorships, and endowed chairs for faculty members; sponsor significant research projects and conferences; and facilitate ongoing curriculum development.

How are we going to raise \$15 million? We see five facets of this centennial campaign:

1) *Alumni giving* is an area that we must continue to emphasize. In the past three years we have made great progress in involving our alumni in both School of Management activities and fund-raising. Of course we would like to think that every alum will contribute to this centennial campaign, but realistically we would like to see overall participation increase to the level of our 1981 MBA graduates—to nearly 30 percent. Individual contributions, donations from alumni at companies that have matching gift programs, and class gifts from reunion classes are three vehicles used in this facet of the campaign.

2) *Corporations and foundations* have played a major role in lending financial support to Marriott School programs. For instance, the Fred Meyer Charitable Trust has funded the Fred G. Meyer Chair of Retailing. J.C. Penney recently made a major gift to the Skaggs Institute of Retail Management, and several companies have funded professorships and faculty fellowships. The Marriott School has 55 affiliates that benefit from their relationship with the school. They support our programs financially, and in return they have access to faculty expertise and school resources in the form of

either on-campus visits or in-house training programs provided by teams of faculty members. We will continue to pursue such partnerships in the future to create benefits for both the Marriott School and businesses in various industries.

3) *The Endowed Scholars Program* was formally introduced in 1984. At that time the school had one endowed chair, one professorship, and no faculty fellowships. Since that time another fully endowed chair, 14 professorships, and eight fellowships have been funded. The goal of this program is to attract and retain outstanding faculty members. This program is succeeding. For example, the Harold Silver Chair of Finance and Management and the Joel C. Peterson Professorship of Business Administration have allowed the school to bring to campus Bernell K. Stone and Ned C. Hill, two of the nation's leading experts on electronic data interchange and cash management.

4) *The Entrepreneur Founders* is a group of entrepreneurs who are each donating at least \$15,000 toward the expansion of our entrepreneurship program. Such support of programs, especially those directly involved in our three areas of emphasis, will require continued funding.

5) *The Program for International Students* brings students from foreign countries, especially Latin American and Asian countries, to study in the Marriott School's graduate programs. Generally, a sponsor will fund these international students' academic experience with scholarships and loans that amount to about \$5,000, with the understanding that these students will return home and use their education in strengthening their native country's economy and management base.

Excellence has its price, and if the Marriott School is to fulfill its part in President Kimball's expectation "that Brigham Young University will become a leader among the great universities of the world," it must have the necessary resources. We want to be able to look to our second century with the optimism and confidence that only these needed resources can bring.

J. WILLARD MARRIOTT

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urn-of-the-century Utah, with statehood just four years past, retained many characteristics of the Old West frontier. And J. Willard Marriott—born near Ogden in 1900—was in many ways a frontiersman. ☞ A hard-working, caring youth, Bill was entrusted at an early age with adult responsibilities. Early experiences with his family's sheep herds helped prepare him for what was to come. He left

Utah for the first time, traveling alone to San Francisco by railcar with 3,000 sheep, when he was only 14.

☞ A devout Mormon, he journeyed to New England at age 19 to serve a two-year mission for the Church. He returned to Utah and financed his education by selling woolens in logging camps throughout the Northwest. He earned his bachelor's degree in history and political science from the University of Utah in 1926. ☞

He married Alice Sheets in 1927. Upon her graduation that same year, they gathered savings, a loan, and partnership funding to establish the Washington, D.C., area's first A&W root beer franchise. They added hot foods to bring in year-round business, added new locations, renamed the outlets "The Hot Shoppes," and in 1928 opened the first drive-in restaurant east of the Mississippi. By 1931 they had built a business earning \$1 million in annual sales. Operations soon moved beyond restaurants as Bill Marriott became a pioneer in the airline catering industry in 1937, began managing food service in defense plants and government complexes during World War II, and by 1955 added hospital and educational food service. ☞ With people traveling more than ever, Bill Marriott's entrepreneurial instincts told him his expertise in food service could extend to lodging. In 1957 the first Marriott hotel opened, becoming the foundation for a new business that would make the Marriott name known worldwide. ☞ Two new restaurant concepts soon came under the Marriott umbrella—Big Boy family restaurants in 1967 and Roy Rogers fast food in 1968.

☞ Over the years, the Marriott Corporation has grown into a diversified hospitality business. By the end of 1988, the company that Bill and Alice Marriott founded had over 4,000 operating units in lodging, contract services, and restaurants, with some 230,000 employees and more than \$7.5 billion in sales. ☞ Today Marriott Corporation continues to explore new frontiers just as Bill Marriott did until his death in 1985. ☞



ALICE S. MARRIOTT

A

lice Sheets Marriott grew up in Salt Lake City and was a University of Utah honors student majoring in Spanish when she first met Bill Marriott in 1926. She was a Chi Omega junior, active in campus affairs, and an officer of both the Spanish and French clubs. She envisioned marrying a doctor some day, but Bill Marriott would change that vision. He first saw Allie (as he came to affectionately call



her) on a February day and made the comment to a friend that she was the kind of girl he'd like to marry. He arranged for an introduction, made a proper impression, dated her, and became engaged to her that May. 🍷 They married in the Salt Lake Temple on June 9, 1927—the day after Alice graduated with her bachelor of arts degree in Spanish. They left immediately for Washington, D.C., where they opened the nine-stool A&W root beer stand that marked the beginning of the Marriott family success story. Before they were married, Allie had said, “You don’t expect me to go back there to Washington with you and sell root beer, do you?” Bill answered, “Of course not. I wouldn’t think of having you do a thing like that.” Later he claimed, “Well, she didn’t really sell root beer, but she took charge of the money.” And she worked hand-in-hand with her husband, building up the family concern. 🍷 As the business grew, so did the family, with two sons, eight grandchildren, and seven great-grandchildren to date. Alice Marriott continues to be active in the company she and Bill founded, serving as a vice-president of the corporation and on its board of directors. 🍷 In 1974, Alice was awarded an honorary doctor of humane letters degree from the University of Utah. She received the same recognition from Mount Vernon College in 1980. She gives generously of her time to many civic, charitable, and cultural organizations. Since 1970 she has served on the John F. Kennedy Center for the Performing Arts’ Board of Trustees, advising both executive and finance committees. She is also a member of the National Arthritis and Musculoskeletal and Skin Diseases Advisory Council and is on the honorary board of the National Committee for Prevention of Child Abuse. For more than thirty years, she has been on the board of directors of the Metropolitan Washington Chapter of the Arthritis Foundation, which recently honored her with its first Lifetime Achievement Award. 🍷



J. WILLARD MARRIOTT

INTERNATIONAL EXECUTIVE OF THE YEAR

The following is excerpted from remarks delivered at the International Executive of the Year Dinner on the evening of October 28, 1988. J. Willard Marriott, Sr., was honored posthumously at the dinner as the 1988 International Executive of the Year.

PRESIDENT JEFFREY R. HOLLAND: This has been a historic and a wonderful day for Brigham Young University and for me personally. I wish to thank all of you, but especially the Marriott family and our own Board of Trustees, for such marvelous new possibilities at Brigham Young University.

At our announcement ceremony this afternoon we had a delightful hour—a moving hour, I think it is fair to say—discussing what we hope to do at BYU in the lives of our students, both while they are here at the university and later when they take our name out into the world of work. We care very much at BYU about a superb education founded on the gospel of Jesus Christ, an education that prepares our students for the challenges of industry and commerce and government, the challenges of civic and family and personal responsibility, and the ultimate challenge of leavening the loaf of mankind. That educational task has always been part of the BYU experience, but in the School of Management we now have the added advantage of invoking the name of J. Willard and Alice Sheets Marriott to assist us in that task. Brother and Sister Marriott



and their family symbolize the integrity and the success, both personal and professional, to which Brigham Young University is committed. And so on a day when Bill and Allie and their family have given so much to us, it is most appropriate that we try to give something, however modest, in return. Bill Marriott is in every way a worthy and a wonderful recipient of our International Executive of the Year Award. I will not say more about that now. President Hinckley will pay that tribute and make that presentation, but as president of the university I wish to share just one story about J. Willard Marriott that perhaps only Pat and I and Ben Lewis would know.

In April of 1964 J. Willard was selected by the Associated Men Students of BYU to receive the coveted Exemplary Manhood Award. It is still the highest and most distinguished award that the students give each year to a person of their choosing, a person who must be cleared by our Board of Trustees. Because Pat and I were students at the time, and friends of the young man in charge of the activity in which the award would be given, we agreed along with a handful of others to help portray in skit and song the remarkable life of Bill and Allie Marriott. It was, I must admit, a superb little 20-minute enactment of *This Is Your Life*. It was rehearsed and rehearsed in the scheduled location, the George Albert Smith Fieldhouse, then the largest facility on this campus. Such a facility would of course be needed for this most distinguished award given to this most distinguished and extraordinary Latter-day Saint.

The evening came. Pat and I were all jitters. We had the root beer and Hot Shoppe portion of the Marriott life to portray. And we had polished it to a fare-thee-well. Then the hour came, and J. Willard came. But not a single student appeared. Perhaps I have forgotten, but I do not remember one—not one—arriving. It was 7 o'clock, and it was time to start. Then it was 7:05, and then it was 7:10, and then it was 7:15. What we did not know but were quickly learning was that the sponsoring men's organization, as students (especially men students) are wont to do, had somehow forgotten to publicize the event. Why or how that could possibly happen, I still to



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this day cannot imagine, but so it was. Consequently, there were a great many other things going on the campus that night, not the least of which was the Spring Social and Dance. And no one, simply no one at all, came to the George Albert Smith Fieldhouse.

Now, here is the part that matters and which I will never forget as long as I live. Bill said to the very red-faced and totally distraught young sponsor of this event, "Let's begin." The young man was nearly in tears. He stuttered and stammered and said, "Oh, Brother Marriott, no one is here." To which J. Willard said, "You are here, and I am here, and these kids in this skit are here. Let's begin." So, to an absolutely empty fieldhouse, as dark and void as the world before creation, J. Willard watched the skit, laughed and applauded on cue, and accepted the honestly and lovingly awarded plaque. And then he spoke to the 12 or 15 of us in the skit, plus the three or four student sponsors, and a few others who had stumbled in. After the skit all of us had hurried out to sit on the front row before an absolutely barren podium, barren save for the dignified and loving image of J. Willard Marriott.

That night Brother Marriott gave one of the most stirring and heartfelt talks that that little handful of students had ever heard. His topic was (and I tell you precisely because I listened carefully to it) "Ingenuity, Common Sense, and Imagination." I remember the message to this day. But what I especially remember was the dignity and the grandeur and the unequivocal Christian compassion that a very important man demonstrated to some very chagrined students. J. Willard could have been angry. He could have sulked. He could have exploded. He could have stormed out of the building. He could have reminded everyone of how demanding his schedule was and how far he had traveled and how monumentally offensive such an experience was. All of that was absolutely true. Above all, he could have devastated almost beyond recovery a young man who had made a serious mistake in preparing for that activity.

But he did not say one word of any of it. Regardless of how much he may have felt like doing it, he did not say anything. He spoke as if the whole world were present. And he acted as if this were the greatest compliment and the highest award he could ever be given. It was simply one of the most profound demonstrations of compassion and humility I have ever seen in my life. It remains so with me to this day. Now, more than 24 years later, when by happenstance one of those two or three dozen in the audience has been invited back to preside over that same university, working with students day in and day out, I have had some occasion to try and remember that lesson. And while I have not always been able to duplicate his example, I have never forgotten it.

I said in a different setting for a different reason just recently, "Only the confident can afford to be kind." To Bill and Donna, to Dick and Nancy, and to their families, who over recent years I have come to admire and love so much, I say that I am honored to pay this much tribute to their father and mother this night. As I once said of J. Willard Marriott, "In all the success that has come to him in the world of commerce and influence, he never lost his humility, his heritage, his family, or his friends." Thank you very much for the significance and beauty of this day.

PRESIDENT GORDON B. HINCKLEY:

I'm sure that my secretary gets tired of typing the long talks that I dictate and then don't give. It will be a repeat performance tonight. I bring the love, in a very real way, of President Benson, who would have enjoyed immensely being here. He has asked that I read this statement of his.

"On the occasion of the International Executive of the Year Award Dinner, I extend my heartfelt greetings to all who are assembled. This is a momentous day at Brigham Young University, as you name your acclaimed School of Management after J. Willard and Alice S. Marriott, two of America's most outstanding individuals, as well as two of my dearest friends. And this evening I can think of no more fitting recipient of the International Executive of the Year honor than Bill Marriott. The friendship of the Benson and Marriott families spans many decades, and with fondness I recall the Marriott hospitality that was extended to Sister Benson and me and our family when we first moved to Washington, D.C. The invitations to dinner in their home; the snacks following high council meetings in the Marriott Hot Shoppe restaurants, where Bill and I would discuss politics, religion, and business; and those delightful weekends with the family at the Marriott ranch in Virginia, where a weary secretary of agriculture found a few hours of welcome solitude—these memories will always be cherished and have contributed greatly to the deepening of our friendship over the years. Bill and Allie have made many, many significant contributions to their community, church, and country and are the worthy recipients of the honors you have bestowed upon them today. It is fitting that this school of management, whose students are not only taught the important business principles, but also the significance of integrity in their professions, be named after two people whose lives have exemplified that most noble characteristic. Sister Benson and I join with you this evening in honoring our friends, J. Willard and Alice S. Marriott. Faithfully yours, Ezra Taft Benson."

Now, I would like to say that it is a good and proper thing that we do this evening. It is good because in honoring J. Willard Marriott we bring before the



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students of this great university an example worthy of emulation. It is proper because he deserved this honor for the tremendous achievements of his life. Our only regret is that we waited too long and must now do it after he is gone from us.

Every now and again in the history of the world there arises above the masses a man or woman, and in this case both, who stand above their generation. They affect the lives of everyone they touch. Such was the case with Bill and Allie. There was a uniqueness about Bill Marriott that has kept his memory alive. And the recognition we give tonight, together with the naming of this school, will keep his life before students through generations yet to come. The tremendous empire that he began in such a modest way, and that has been enlarged through the business genius of his sons, is a story of the kind that mothers like to tell their sons. It was built on three principles, as he himself stated them. The first, friendly service; the second, quality of product; the third, hard, unrelenting work. What a tremendous example to the young men and women who come here to prepare themselves for their work in the world. I am deeply grateful, as I repre-

sent the board of trustees of this university, that the names of these two wonderful and remarkable individuals will be a constant reminder to all who attend here.

As I conclude my remarks, I think I would like to do something that may sound a little strange. I think I would like to repeat a thing or two that I said at his funeral service in Washington, D.C., on August 17, 1985: "There is no more glowing example in this age, when heroes are almost unknown, than a man who started in such humble beginnings and rose to such remarkable heights. One finds the roots of his remarkable strength and capacity in the stock from which he came. His grandfather was among those of our people who fled their beautiful city of Nauvoo on the Mississippi, driven by mobs who burned and pillaged, who sacked and destroyed. They crossed the prairies of Iowa to Winter Quarters on the Missouri. Then their bumping wagons followed the long trail beside the Elk Horn and the Platte to South Pass and over the mountains to the valley of the Great Salt Lake. They settled north of Salt Lake in 1855 at the base of the Wasatch Mountains.

"Bill's grandmother had grown up in Bedfordshire, England. There she joined The Church of Jesus Christ of Latter-day Saints in 1848 and, at the age of 19, determined to emigrate. She sold her dress and shawl to secure money for her passage and arrived in St. Louis with one shilling to her name. In 1853 Elizabeth began the long walk to the valley of the Great Salt Lake. She was one of those who pulled handcarts for over a thousand miles, barefoot much of the time and carrying her shoes, so that she might have a pair to walk in when she reached the streets of Zion.

"From such roots grew the Marriott tree. Faith was its nurture—faith in God the Eternal Father, and in his Son, the Lord Jesus Christ; faith in the nation of which they were a part, notwithstanding they had been denied the protection of that nation; faith in themselves, with self-reliance and hard work as the keystones of that faith.

"Willard Marriott was of that cast. His faith was simple, his love of God profound. That brought also an appreciation for others, be they business associates, employees, or whatever the group with

whom he mingled. He recognized God as his Eternal Father and each man and woman as a son and daughter of God and, therefore, a brother or sister. He treated them accordingly. In the fast pace of his business career, he never refused a call to church service. Blessed with riches through his industry, he looked upon himself as their custodian and not as one to spend them in profligacy. No one will ever know the vast good he did.

"As one of his associates remarked, 'The more he gave, the more he prospered.' What he did, he did without ostentation or fanfare. He loved his church. His faith in its mission was unshakable. His contributions to move it forward were many and significant. I speak for our people across the world when I say, thank you. Thank you, dear friend, Bill."

Now, as we thank you for your life of service, for your standard of quality, for your example of hard work, we honor you as International Executive of the Year. In behalf of the Board of Trustees of this university, we so express our gratitude and pay our tribute. We commend your example to all who now and through the years to come will seek learning under the shadow of the personalities of Bill and Allie, that they might be better equipped to serve their fellowmen across the world in the tradition that you established and nurtured. For this I pray and ask the blessings of the Lord upon your loved ones who carry on in your footsteps and present proudly this distinguished honor, the International Executive of the Year Award, posthumously, to "J. Willard Marriott, 1900 to 1985, founder and chairman of the board, Marriott Corporation, by Brigham Young University, School of Management, 1988."

J. W. MARRIOTT, JR.:

This has been a wonderful afternoon and evening for our family. President Hinckley, we are grateful for your presence, for your wonderful remarks. To Ted Simmons and Jeff Holland and Paul Thompson, our heartfelt appreciation for honoring our family in such a wonderful way. We are deeply touched.

I think my father's character was accurately and beautifully described by one of his best friends, who passed away last week in Phoenix—Mark Austad.



**In the early days,
when his employees
were sick, he visited them.
When they were in
trouble, he got them out
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wanted to talk, he
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Mark wrote the forward to my dad's biography in 1977, and I would like to quote from it for just a minute as follows.

"Bill [Marriott] is a bundle of contradictions—both gentle and tough; devoutly religious, and yet fun-loving; demanding, yet tolerant; half pessimistic, half optimistic; penurious, yet philanthropic. All he wants of family, employees, and friends is perfection. Though he is a worrier, he knows no fear. He has no use for laziness, dirtiness, dishonesty, social climbing, or wasting time. . . .

"Bill's unswerving devotion to his faith has dominated his life. . . . His true love of God, his Allie, his family, his fellow man, and his country has been the ruler of his life."

Dad always believed that the two most important ingredients to success in business and in life were work and prayer. There was no contradiction here. When young people would write him and ask him for advice about what they could do to be successful, he would write on the bottom of the letter, "Work and pray," and send it back.

Dad was a complex person, a great man. On work, he was afraid that Dick

and I would grow up as the sons of a rich man, never learning to work, so he was sure that there were plenty of chores when we were old enough to do them. Grades in school were only satisfactory as long as they were all As. He worked hard all his life, and he expected the same of everyone else. On the subject of prayer, he put the Church first. Whatever he was asked to do in the Church, he did. I was proud of his nine years as our stake president, but even more proud of his home teaching record. For, you see, a wise bishop assigned him to the most inactive families in our ward, and dad never missed.

It was true also that he knew no fear. I recall one day when we were flying in New York, and we flew into a violent thunderstorm. He was napping. Finally, the plane hit a bad bump in the air, and he woke up. He looked at me. He could see that I was terrified, and he said, "What's the matter with you?" I said, "It is apparent to me that in a few moments we will surely die." He said, "Don't you know that dying is one of the great experiences of life." Then he went back to sleep.

Finally, my dad loved people. It was his genuine concern for those who worked for him that established the culture of our company, which is to take good care of your employees, so that they will take good care of your customers, and the customers will come back. In the early days, when his employees were sick, he visited them. When they were in trouble, he got them out of trouble. When they wanted to talk, he was listening. He was never too busy to care for his people.

My mother has been referred to today for her role in the success of our company. It would not have been a successful company without the support that she gave my father throughout his life. She was a tremendous influence for good in all that he did. Her keen mind, her great power of perception about people, and her love for her husband and for me and Dick have blessed our lives enormously. Dick and I can truly say, as did Nephi of old, we were "born of goodly parents."

Again, I thank you tonight for honoring my father. I wish he could have been here. He would have been thrilled and humbled by your thoughtfulness toward him and my mother.



One of the most critical problems facing today's successful executive is learning how to balance career and family. This issue has faced every executive at one time or another. For many it is an issue that never goes away. It demands making a choice: not once, but almost every day.

Recently I saw an interesting survey involving the typical chief executive officer in a Fortune

500 company. The profile went like this: The CEO is [most likely] a male in his fifties, is married to his first wife, and enjoys his work very much. He works

more than 60 hours a week and makes sure that he has sufficient time to spend at home, resulting in a stable relationship with his family.

Two things stand out in the results of the survey: One, that the typical CEO works long hours, and two, that he has a stable family life. It makes me wonder what separates these executives from others who have successful careers but problems at home, or worse, executives who have the talent, but seem to never get it together in either their personal or professional lives.

As for me, I have a nice home in a good suburban neighborhood, where I live with my wife of 25 years, four wonderful daughters, and a son who thinks he knows more than I do. I have been at Marriott for more than 14 years. As the company has grown, so have my responsibilities and career opportunities. I generally work more than 60 hours a week and travel over 150,000 miles a year. In addition to my job, I have a church assignment that takes five or six hours of my time each week. The point is

that among my family, career, and church responsibilities, I have considerable demands on my time, and I have had to learn to be able to make decisions to keep it all in balance. Here are a few of the lessons I have learned.

Which Comes First, Home or Office?

The first step is to set your priorities. You need to determine what is important to you, but don't just

think about today—think about what will be important in the long term, 10 to 20 years from now. For me, the answer is simple: my family comes first. I

firmly believe that success, no matter how great, can never compensate for being a failure at home.


I am fortunate to work for a company where the chairman of the board agrees that your family should be your first commitment. Bill Marriott is one of the busiest men I know. The demands on his time are enormous, yet he sets aside time to spend at home with his family and even tries to stop by to visit his mother for a few minutes each day on his way home from work. I admire that type of commitment.

If you are single, then many of these suggestions can be easily applied to your relationship with a close friend or other family members. The need for emotional support and encouragement is just as important for you as it is for someone who is married.

Making your personal life your first priority, however, takes more than simply drawing a dividing line between work and home. You start by building a strong relationship with the members of your family. Then it means committing the

CAREER & FAMILY FINDING A BALANCE

FRANCIS W. "BUTCH" CASH

 This article is excerpted from remarks delivered by Francis W. "Butch" Cash to the Harvard Club of Atlanta in June 1988. Mr. Cash is a graduate of BYU and serves as executive vice-president of Marriott Corporation and president of the Marriott Service Group, which includes Marriott restaurants, food service management, and retirement living divisions. He is responsible for more than \$4 billion in sales and 150,000 employees.



time necessary to nurture and enhance that relationship. As a general rule, I try to be home for dinner every night that I am in town, even if it means taking work home or scheduling something later in the evening. I also find that I don't have a lot of time for playing golf, poker, or any of the other traditional "out with the boys" activities. That's not to say I don't enjoy the time I spend with my associates. But when I weigh the responsibilities of family, church, and business, I have to make choices. I have to set my own priorities.

Planning a family vacation is another way I try to maintain a strong relationship with my family. I usually schedule my vacations a year in advance, and they are the first dates I mark in my calendar. Next, I mark important activities and events that I want to spend with my family, and then I try to plan my business calendar around those dates. Obviously there are going to be conflicts, but by planning far enough in advance, many problems can be easily avoided.

Learning to Listen

Another aspect of maintaining a strong relationship with my family is fostering open communications, the most important part of which is learning to listen. By listening properly you not only hear what is being said, but you can also pick up messages that are not being verbalized. Sometimes the silent messages are the most important ones. Successful communication is also remembering that conversations are not always parent-to-child or parent-to-parent—sometimes communication needs to be simply person-to-person. This type of open communication doesn't happen overnight. It takes time and patience. But once you learn to communicate with your family, many of the other elements necessary for a good relationship will fall in place.

Setting a regular time to do things as a family is another way to build relationships. In our family we have what we call a "family home evening." Once a week, usually on Sundays, we try to schedule an activity at home where we all participate as a family. The activities range from singing songs to playing games. What we do doesn't really matter, as long as we do it together.

A couple of weeks ago, my oldest daughter and my son-in-law were visit-

ing, and they used family home evening to make an announcement. They said they had learned a new game at college and wanted to teach everyone how to play. So they brought out a package for everyone and told us to open them all at once. Each package contained baby clothes and baby toys, and although it took a few seconds for us all to catch on, that was how I learned I was going to become a grandfather. I like that story because it demonstrates how much family home evening has come to mean to everyone in my family, especially since my daughter picked that special time to tell us something so important.

Just as your kids need special attention, so does your spouse. For more than 25 years, my wife and I have tried to schedule at least one date a week. It's a time when we both have an opportunity to share what's happening in other parts of our lives and can spend time getting to know each other better. Would you believe that after 25 years I am still finding out new and interesting things about my wife? When we first started our weekly date, I had thoughts of a nice quiet evening at home with the kids away visiting friends, but my wife had other ideas. After spending all week at home, she wanted to go out for dinner and maybe see a show. She won, which brings up another point. Our relationship has flourished over the years because it is a partnership based on mutual respect and consideration. That's not to say we don't disagree. But when we do, we work it out.

Finally, whenever possible, I try to leave my frustrations at the office. If I have had a tough day at work, the last thing I want to do is bring it home. Over the years I have developed two simple habits that help me mentally prepare to spend time with my family. While driving home I try to sing or whistle a lively tune, something that will put me in a lighter mood, and then, as soon as I get home, I change into something comfortable. Taking off my suit is almost like hanging my work-related problems in the closet until tomorrow.

Setting Priorities at Work

One of the most interesting things I have learned about being an effective manager is that many of the elements that create a successful home life can

also help to establish a successful career. These elements include learning to set priorities, fostering an atmosphere of open communication, establishing a cohesive relationship with other executives, and setting high standards and working hard to meet them.

In setting my priorities at work, the first thing I do is to determine what Bill Marriott wants to achieve, and then I try to ensure that we are able to accomplish his goals. Often this means finding the right people to do a specific job and making sure that we are all working together to achieve the same goal.

My next priority is to spend time with the executives who report directly to me, responding to their requests and specific needs. In developing relationships with those who work for me, I make it clear that I hired them because of their expertise and talent, and that I trust their judgment. They know that I don't need to hear every detail about every project—that's their responsibility. On the other hand, they know that I don't like surprises, so they have to make judgments about what is important for me to know and what decisions I need to be involved in. This philosophy lets them do their job and frees me to focus my time where it is most needed.

I also try to encourage each member of my staff to set high standards and work to maintain those standards. Above all, I strive to create an environment where people enjoy working, one that recognizes talent and provides the resources and support necessary to grow professionally—an environment that rewards excellence.

As a professional, it's important for you to be successful at what you do. The more successful you become, the more secure you and your family will be. But let me caution you. No matter how hard you try to create a balance between business and family, there are going to be plenty of times when your career requires you to spend time away from your family. It's unavoidable.

Finally, let me leave you with one thought. For most of us, the most important thing that we will ever accomplish will be within the walls of our own home. If you're successful there, you'll be better prepared to face not only the challenges of a professional career, but the challenges of life.

Briefly

Kemper Scholars Announced

Each year at BYU, the James S. Kemper Foundation selects one outstanding business major as a Kemper Scholar. This designation means that the student, usually a freshman, will be given the opportunity for three summer internships in Kemper Group corporate offices around the country. The internships' emphasis is on developing personal style, confidence, and character for working in a business environment, rather than training for a particular job.

One of the key benefits of the grant is the personal counseling available throughout the four-year program. Kemper Scholars are expected to maintain the high degree of accomplishment that they demonstrated to receive the designation.

The current Kemper Scholars at BYU are Doug DeFord, a senior in business management/operations; Brian Williamson, a junior in accounting (currently on a mission); and Jeff Kendrick, a sophomore in business management. Professor Milton Smith, associate director of the Institute of Business Management, is the Kemper Scholar campus advisor.



Garrett Professorship Awarded

The J. Earl and Elaine Garrett Professorship in Business Management has been awarded to G. Fred Streuling,



director of the School of Accountancy. Streuling received his Ph.D. from the University of Iowa in 1971 and has a national reputation in the area of taxation. He came to BYU in 1976 after having taught at the University of Texas and the University of Minnesota. He has also been senior tax accountant with Arthur Andersen & Co. Professor Streuling is past president of the American Taxation Association and has published two books and numerous articles on various issues in taxation.

J. Earl and Elaine Garrett endowed this professorship in recognition of the great

From left: Doug DeFord, Jeff Kendrick, and Milton Smith.

respect and debt of gratitude they feel toward BYU and its business programs. J. Earl Garrett is an alumnus of the School of Management and a member of the National Advisory Council. When he graduated from BYU, he made a personal pledge that he would repay the School of Management for the opportunities his business education had given him. A major gift toward construction of the Tanner Building and the endowment of this professorship prove his commitment to that pledge.

James D. McDonald Receives Stone Professorship

The first recipient of the O. Leslie and Dorothy C. Stone Professorship in Management is James D. McDonald, professor of man-



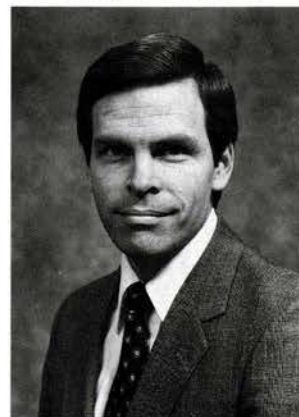
agerial economics. McDonald completed his Ph.D. at Purdue University in 1970 and came to BYU in 1972. His areas of expertise are econometrics and quantitative methods. He was selected as Professor of the Year in 1986 at BYU and presented the University Distinguished Faculty Lecture in 1987. He is recognized for his excellence in both teaching and research.

The O. Leslie and Dorothy C. Stone Professorship in Management was endowed by their two sons, Ronald V. "Bud" and Thomas

R. Stone, and their daughter-in-law, Mrs. Douglas L. (Karen Sedgwick) Stone, to honor their parents.

Wheatley Professorship Awarded

Alan L. Wilkins, professor of organizational behavior, has been named first recipient of the Wheatley Professorship for Integrity in Free Enterprise. Wilkins



received his Ph.D. from Stanford University in 1979. He began teaching at BYU in 1978 and specializes in innovation and organizational and cultural change. He is on the editorial board for the *Academy of Management Journal* and has recently published a book on developing corporate character and several articles on organizational culture and cultural change.

The Jack R. Wheatley family created this professorship to motivate both the faculty and students of the Marriott School to cultivate integrity, high values, generosity, and hard work as they prepare for leadership in business.

White Professorship Announced

Steven V. White, former chairman of the National Advisory Council, endowed a professorship in the name of his wife shortly before he passed away in 1988 (see tribute on page 23). He requested that the Georgia

Thomas White Professorship in Management be used to support visiting professors in spending one or two semesters on the BYU campus. The first recipient will be Margaret Wheatley Pesci. She is a principal in the Ibis Consulting Group, Inc., and is teaching ethics during the 1989 winter semester.

Faculty Fellowships Awarded

The Stewart L. Grow Faculty Fellowship has been awarded to Gary C. Cornia, associate professor of public management. Cornia received his Ph.D. from Ohio State University in 1979 and began teaching at BYU in 1980. From 1983 to 1986 Professor Cornia served as Utah State Tax Commissioner. He teaches courses in public finance and budgeting and has published on economic development and tax policy.

Stewart L. Grow was the first chairman of BYU's Department of Political Science and founding director of the Institute of Government Service, forerunner of the Marriott School's Institute of Public Management. His students remember him as one of those rare teachers who was more concerned with his students than with his own career. They have appropriately honored his influence by endowing this faculty fellowship in his name.

The Price Waterhouse Research Fellowship has been awarded to Kevin D. Stocks, associate professor of accounting. Stocks received his Ph.D. in 1981 from Oklahoma State University. He came to BYU in 1983 and has published extensively in the areas of information systems, managerial accounting, and internal audit.

Executive Development Seminars

The Marriott School of Management and the Division of Continuing Education are offering the following executive development seminars:

Improving Leadership Effectiveness—a four-day seminar designed for middle- and upper-level managers to develop specific skills in contingency leadership. Emphasis will be given to matching executives' leadership style to the needs of their people. (April 30–May 4, 1989, at CottonTree Inn, and July 9–13, 1989, at Alta Lodge.)

Improving Your Management Style—an intensive five-day seminar designed to help the manager continually improve a style of management that narrows the gap between knowledge and practice. This seminar will help each participant develop a profile of effectiveness. (March 12–17, 1989, at CottonTree Inn; and June 25–30, July 9–14, August 13–18, and September 17–22, 1989, at Alta Lodge.)

Improving Your Interpersonal Style—a four-day training program designed to help managers adopt an effective interpersonal posture in one-on-one and small-group encounters while setting goals, making decisions, and solving problems. An important element of the training is a survey completed by the participant's work associates that measures the interpersonal style he or she typically adopts in interactive situations. (July 30–August 3, 1989, at Alta Lodge.)

Third Annual Ethics Conference—the Marriott School and Continuing Education will sponsor this annual conference. The theme of the conference will be "Ethics Issues in the Practice of Accounting and Manage-

ment." (May 18–19, 1989, Harman Building.)

For brochures on these programs, contact Conferences and Workshops at (801) 378-4786 or mail requests to BYU Conferences and Workshops, 154 Harman Building, Provo, Utah 84602.

Quotable

Mehdi Fakhrazadeh, record-setting insurance salesman for Metropolitan Life Insurance Company and longtime member of the Million Dollar Round Table, presented the Marriott School's 1988 Distinguished Alumni Lecture on October 6, 1988. The following is excerpted from his lecture.

For all problems there are solutions. The old man is telling me, "Oh, Mehdi, I'm too old." The young man comes to me and says, "Mehdi, I can't sell because people think I don't have enough experience." The ones in the big city say the competition is too keen. The ones in a small city say there is nobody to see. The black man says, "I'm black." The female says, "I'm female." Inflation . . . unemployment . . . sophistication: They are giving me all kinds of excuses in order to rationalize not doing the job.

To the one who says he is old: We have a great man in our industry who was president and chairman of the board, chief executive of American General. His name is Woody Woodson. At age 65, he was a multimillionaire. At 65 he had to retire. Then he said to himself, "I am not going to quit. I will sell insurance." He is in his eighties, and every year he sells five, ten, twenty million dollars of insurance.

The one who says, "I'm young. I can't do it." The very first time I went to Million Dollar Round Table, I became

very friendly with one gentleman. A few years ago he came to my house and said, "Mehdi, do you know that I have a young man in my office who is the youngest member of Million Dollar Round Table?" I said, "How young is he?" He said, "Nineteen." "How long has he been with you?" He said, "Two years." "What is the level of his production?" He said, "Five million dollars every year."

The one who talks of big cities. We have a gentleman by the name of Norman Levine. He was born and raised in New York City, and all this time he worked in the New York area. A few years ago he did not get along with the carrier, so he quit that company and went with Mutual Benefit. In all the agency the only opening they had was in San Francisco. He did not know one soul in San Francisco, and within three years he created an agency with over \$200 million in sales.

The one who talks of a small town—he reminds me of Grant Taggart. Grant Taggart came from Cowley, Wyoming. Cowley has a population of 300. Not 300 families, but 300 population. And during his twenties and thirties he was writing two, three, four, five million dollars of insurance.

When we are talking of inflation—when we have 13 percent inflation, we cry that we can't write. Every single year there are 35 to 40 people who come from Israel to Million Dollar Round Table. The rate of inflation in that country is 400 percent, and they don't say a word.

So what is it? Is it old age? Is it young age? Is it black? Is it white? Is it a big city? Is it a small town? Is it inflation? Is it unemployment? No, sir. No, ma'am. It is you. It is me.

A TRIBUTE

STEVEN V. WHITE



Steven V. White, president of Bechtel Investments and former chairman of the Marriott School's National Advisory Council,

died of cancer December 16, 1988, at Alta Bates Hospital in Berkeley, California. He was 60 years old and lived in Moraga, California.

Last September Mr. White became president of the Oakland Stake of the Church of Jesus Christ of Latter-day Saints. For many years he was a bishop and executive of the Church in Oakland.

An engineer and official of the Atomic Energy Commission in the 1950s, Mr. White joined Bechtel in 1961 and rose to the top corporate echelons of the privately held, San Francisco-based construction and engineering company. From 1973 to 1987 he sat on the five-member executive committee that conducted the global affairs of the Bechtel Group. Mr. White left the committee last year to be president of Bechtel Investments, the investment company of the Bechtel family.

Mr. White is survived by his wife, the former Georgia Alberta Thomas, two sons, two daughters, and 20 grandchildren. The following tribute was delivered at Mr. White's funeral on December 19, 1988, by a close friend, J. David "Bud" Billeter. Mr. Billeter is also a member of the Marriott School's National Advisory Council and was the school's August 1987 convocation speaker.

Diamonds are one of the most valuable and enduring of all gemstones. Flawless diamonds have no physical defects such as cracks, spots, blemishes, or scratches. To be perfect, a diamond must not only be free of flaws, but must also be of the right color. Cutting and polishing the rough diamond is a slow and costly process, and the way the diamond is cut and polished affects its value, because a stone that is not properly proportioned does not produce as much brilliance as a stone that is well cut. Some of the larger well-cut and polished diamonds have exceedingly great value because so few of them exist.

I think I can safely say that Steve White can be compared to one of those rare diamonds that have been properly cut and polished and that command a high price. All facets of Steve's life received attention, so that the balance and brilliance would be at a maximum.

Steve did well in all his business endeavors and civic service. I served with Steve on the executive board of the San Francisco Council of Boy Scouts of America. When his name was considered for service on this board, it was warmly received. He was greatly respected not only for his ability to get things done, but also for the ethical way he conducted all his endeavors. Such was and is Steve's reputation in the business and civic communities. But there were many other facets of Steve's life that made him such a prized gem.

I can't think of anyone who loved to be with his wife and all the members of his family more than Steve did. He gave them top priority. Many times he would call me in the afternoon before our weekly stake presidency meeting and ask how long I thought we needed. He would then tell me that at a certain time he had a date with Georgia or he was meeting members of his family, and he would have to leave at that time.

Another facet was how generous Steve and Georgia were. Many charities counted on the Whites for support. They were constantly helping individuals in need, often anonymously. Their generosity has supported numbers of missionaries, and they have also opened their home to scores of people at all times. One must also mention the substantial gift made to the Marriott School of Management at BYU, honoring Georgia.

One very important facet of Steve's life was his religion. He would strive to see that he was a good example of Christ's teachings. In service as a Church leader, his only desire was to help people. As a counselor in the stake presidency, he was totally open in his suggestions, but if he was asked to do other than he had suggested, he gave 100 percent support. One could not have had a more loving, understanding, supportive counselor than I had in Steve. We were not only members of a presidency, but good friends. We were brothers in every sense of the word.

The gospel of Jesus Christ teaches that a person's life should so reflect in his countenance and actions that other people might know that he is different and special. This facet was no better demonstrated than when Steve was in the hospital. All who attended him commented about how special Steve was, how kind and considerate. They even marveled at how he took the news of the seriousness of his illness and was ever positive and had strong faith. Steve was able to be this type of person, for he had such a good understanding of who he was, where he came from, why he was here, and where he was going after this existence. He had faith that he could be healed if the purpose for his life had not been fulfilled, or if his life's work had not been finished. On the other hand, he knew his Father in Heaven might need him and take him despite prayers and faith and desires.

Steve White had so many facets to his life, and they were well balanced. He loved to learn new things; he loved music, art, theater, the classics—he was a true renaissance man, a diamond in the rough that ended up well cut and polished, rare in this world of ours. As he said five weeks ago, "If things do come to an end now, I can feel good about my life. I have traveled more than I ever dreamed. I have been more successful than I had hoped. My family is the delight of my life. The gospel of Jesus Christ is my way of life, and marvelous and rich blessings have been Georgia's and mine because of our testimony of God, his Son, and the principles of the gospel." He added, "I think I have made the world a bit better by being here, and that I have made a difference in the world."

Marriott School Alumni Board

Since 1986, when the School of Management Alumni Board held its first meeting, the board has grown substantially in size, stature, and direction. It currently consists of 30 outstanding alumni from across the United States and Canada and comprises a representative cross section of degrees and professions. The members, who work closely with the dean and the director of alumni relations, meet on campus in the spring and fall of each year and act as a strong advisory and support group to the Marriott School of Management.

Dean Paul H. Thompson appoints board members to serve three-year terms, and new officers are elected annually. Lowell Benson ('64 MBA) of Salt Lake City was the first president. The current president is Ross Davidson ('76 MBA) of San Antonio, and the president-elect is Victoria Laney ('77 MOB) of Atlanta.

The board assists with class reunions and other alumni activities, as well as helping with a number of student programs, such as Student Pledge and Intern for a Day. They financially support the Marriott School Student Council and work closely with council members. Various board members have also acted as mentors to graduates of the school.

Board members are deeply concerned about the low percentage (5 percent) of alumni who contribute to the Marriott School and are working to bring the participation up to the 30-percent level of other established business schools. Many members are also active in peer-to-peer fund-



raising and company matching gift programs.

Other Alumni Board projects include analyzing the feasibility of an alumni placement center, increasing national recognition for the school, expanding alumni executive education, increasing alumni interaction with faculty, fostering better alumni support of the BYU

Management Society, and involving more alumni with the school.

The board is composed of supportive alumni who want to see the Marriott School rated as one of the top management schools in the country. Their commitment and support is a great help to the school in reaching that goal.

Above: Bill Price (left) and other Board members visit with Associate Dean Gary McKinnon (right).

Below: The Board shares a light moment during a presentation by President-elect Victoria Laney.



Above: Board members present at the September, 1988, meeting were: (Row 1) Ross Davidson (President), Thomas Holt, Emily Hart (MSOM Director of Alumni Relations), Kent Millington, Dean Paul H. Thompson, Robert Haight, Russell Parker; (Row 2) Chris Lansing, Lowell Benson (past President), Victoria Laney (President-elect), Douglas Chamberlain, Marva Sadler; (Row 3) Chris Monson, Kim Brady (Student Council), Shawn Whitaker (Student Council), Bill Price, Don Wood, Duane Gardner, Kent Meyers, Virginia Wright, Greg Glenn; (Last Row) Alan Folkman, Ralph Severson, Jay Manwaring, Robert Greene, Janet Page, Ralph Christensen. Not pictured: James Bowden, Albert Choules, Lawrence Correy, Gerald Hinckley, Charles Johnson, Kent Price, Vern Pyne, and Richard Stratford. **Below:** Board members enjoy visiting and a continental breakfast before starting business at their September meeting.



J.W. MARRIOTT, JR.



*The following is
an edited version of a
presentation delivered
on October 28, 1988,
to the School
of Management's
National Advisory
Council.*

It's nice to be home. I used to be a member of this organization [the National Advisory Council] and enjoyed my trips out here, particularly to see my kids. I am very pleased that our family is participating in the growth and the future of this wonderful institution, this great university. And I really do believe that the university's mission—of graduating excellent young men and women who can further the business and free enterprise opportunities of our nation along with the growth and development of the Church—is extremely important.

I've been asked today to talk about strategy. I have a couple of our senior executives in the audience, and I'm sure they are interested in what I'm going to say. I probably ought to ask them to either leave the room or come down here and make the speech.

The most important element of strategy is, of course, to have a mission, to decide where you are going. And we have defined the mission of our company as being the best food and lodging company—by treating the employees in ways that cause them to create extraordinary customer service and shareholder value. We want to take care of our customers—and take care of our employees so that they will take care of our customers.

The key to all our efforts is the word “people.” They are the core value, the core of our mission, because our goal is to provide people something of value—to provide our customers an exceptional experience in service with consistently good products and fair prices; to provide our employees the respect they deserve, an opportunity to receive fair treatment, and an opportunity to advance—and to maximize shareholder wealth.

The final results of our mission are: to remain a growth company, to remain the preferred employer of our people, to become the preferred provider to our customers, and to be the most profitable company in our industry as measured by return on equity, return on investment, and continued growth in cash flow and earnings.

Roughly, our business is divided into two main segments: lodging and food service. The lodging segment includes what we call the traditional lodging segments and the other lodging segments. The traditional lodging

segments include full-service hotels and resorts, international hotels, Courtyard hotels (our entry into the moderate price segment), and Fairfield Inn (our entry into the economy lodging segment). The nontraditional lodging breaks into Marriott Suites, which are a little bit like Embassy Suites; Residence Inn, a suite product for the long-term-stay guest; time-sharing, or what we call Marriott vacation resorts; retirement centers; and conference centers.

Our food and services management group handles about 2500 accounts across the country including some 600 hospitals and health-care institutions, some 600 colleges and universities, and about 1400 business and industry accounts where we do the feeding. We have entered into a new business, facilities management, and also maintenance management for institutions such as schools and hospitals. These are part of our food and services management group.

Our Host division has restaurants in more airports than any other company in the country—in about 50 airports. We are the largest food provider on toll roads and highways, with over 100 units. And we have a division called Roy Rogers, a successful fast food chain in the Baltimore-Washington-New York corridor on the east coast. We are the largest provider of in-flight service meals to the airlines, and we have several chains of restaurants that we hope someday to convert into a new chain called Allie's, named after my mother.

Fifty-five percent of our sales are in lodging, 45 percent are in the food and services groups. This year (1988) our sales will exceed \$7.5 billion. In 1989 they will be over \$8 billion. We have the blessing and the opportunity and the problems of employing over 230,000 employees. This puts us in the top ten employers in the nation and represents a major part of our strategy for the future, in terms of how to manage such a large, widespread, diverse group of people.

We have operations in all 50 states and in 27 foreign countries. And as we look at the criteria we have tried to apply in developing our business through the years, we have decided that any segment of our company must have an opportunity or a shot at being number one in its industry. It also must fit with our strength in taking care of customers. We must have operating skills that can apply to this business.

Let me give you a few examples of how we've developed our new businesses and tried to change some old ones. First I would like to talk about Allie's, which is a new concept for us. For years we operated a couple of hundred Big Boy coffee shops on the East Coast and the West Coast. Then we got around to doing some customer surveys, and we found out that business was not all so good. We found that our niche in the marketplace was a father on his way home from a fathers' and sons' outing with his kids, who hadn't eaten for two or three days, who was grubby and wouldn't go anywhere else. We decided that was a fairly narrow niche in the marketplace and did not exactly describe where we wanted to be.

So we got out and tried to discover what drove the coffee shop business, and we found out that there are three segments, three reasons people eat in coffee shops. One was price, one was that they wanted something good to eat, and the third was that they wanted to avoid a bad experience. Since we decided that price was what we were already in with Big Boy, and avoiding the bad experience was also sort of what we were in, we decided to go for good food. We felt that was the segment where we could win. We learned that this segment was driven by particularly good-tasting food, that a large group of people were willing to pay a higher price for good food, and that they wanted more variety. So we started out with some new items on the menu, some contemporary items—pasta and cheddar cheese, which I used to call macaroni and cheese, but which my two grandsons informed me was not macaroni and cheese at all; it was pasta and cheese. (As they live in California, they know all about those things.) And we started serving fajitas (which they also knew all about) and some other Mexican dishes.

Our prices have increased about 15 percent in the first ten Allie's that we've opened in the San Diego area, and sales are up about 32 percent over the old Big Boy coffee shops. More importantly, 92 percent of our customers are not coming back from fathers' and sons' outings, but are regular customers looking for something good to eat—and 92 percent of them intend to return.

The reason for strategy is to gain a competitive advantage. We have attempted to gain competitive advantage

in this conversion to Allie's. But we have also gained considerable competitive advantage in the lodging industry through product-service evolution.

We have found in our company that the evolution of the business comes from many very small and significant successes, rather than from the CEO getting the baseball bat and hitting a home run every time he picks it up. These successes are small, but they build into a consensus and a high acceptance with the customer.

For instance, in the hotel business we found that speed of service is what drives customers. They want to check in faster, they want to check out faster, they do not want to wait in line, and they want to eat breakfast faster. So we concentrated on these areas. In the check-in area, we now have a cardswipe machine so that a credit card number can go directly into the computer and speed up the registration process. We also have hand-held computer devices that allow us to register large numbers of people out in the lobby without the customer even having to come to the front desk. We are also checking in airport passengers on the way to the hotel. We put an extra person in the van who takes down all the information. By the time the customer gets to the hotel, his or her key is waiting in the lobby.

We have looked at faster check-out. The brilliant conclusion we arrived at was to put the bill under the door at four in the morning. That did not require computer science to figure out. Somebody simply noticed that we've got all these bills hanging around at 4 a.m. Why don't we give them to the customers so they can check out? So, if you stay at a Marriott Hotel, we hope you will find your bill under the door when you get up and are ready to leave. All you have to do is sign it and drop it off in a special box, and you are on your way. We also have video check-out in rooms for those who want more information and who want their bill displayed on the television set.

We have realized the importance of fast breakfast service, so we have guaranteed room service to arrive within five minutes of when our guests want it, or they'll get it free. We have coffee and Danish and milk and juice in the lobby for those who want a quick snack. We have a buffet breakfast for those who

want to go through the buffet line. And we have sit-down service where breakfast is delivered within ten minutes.

These things are a conscious effort to improve customer satisfaction and to improve customer repeats. Another very strong competitive advantage for us through the years has been aggressive development and expansion. This has been particularly true in lodging. We have found that preference is based on product quality, particularly when it has national brand recognition.

About seven years ago we came to the conclusion that we could no longer build and open 25 full-service Marriott Hotels every year, because there simply were not enough markets. We were out of space. We could build five, maybe ten, but we could not keep up our 20 percent growth. So we commissioned our research department to develop a new lodging product, and after a million dollars of expense they came back with the startling result that all we had to do was give a better room at a better price. Now we thought about that, and I criticized our people. I said we knew that in the first place. They said, "Yes, but we couldn't get you, the CEO, to listen to us until we spent all this money, and we knew if we spent the money you'd listen." So I listened, and we built our Courtyard by Marriott with the thought that Courtyard would be a 150-room hotel with no frills. It would have a small restaurant, a small cocktail lounge, no bellmen, and no doormen. And it would depart from the standard hotel that has one employee per guest room; so instead of 150 employees for 150 rooms we are able to operate with less than 40 employees for 150 rooms. We were able to eliminate ballrooms, meeting rooms, many of the public areas in the hotel, and much of the expense, and basically cut in half the cost per room of building the hotel. This enabled us to build hotels with a \$55 to \$60 per room price.

The Courtyard story is a great story for us because we went into the middle market where we had never been before, and we went in against established competitors with national brand names, with nothing but Courtyard by Marriott on the sign. We have 130 of these open, and we are opening about 35 to 40 a year. They are doing very well.

Residence Inn was another entrance

into the middle market—a niche market because Residence Inn takes care of people who stay for a week (or two weeks or three weeks) either on relocation or for a lawsuit or an engineering problem or whatever reason that causes them to be out of town. These Residence Inns have full-service kitchens in the rooms so that the person truly feels that he or she is living close to home. They are very informal and very successful. We now have 125 Residence Inns across the country.

Fairfield Inn was our next product innovation. We realized by looking at the budget hotel market that we could compete successfully, because many of the budget hotels were built years ago and are not high quality. We have around 25 Fairfield Inns open. Occupancy is good, and we will continue to expand in this area.

We have 100,000 hotel rooms in operation today, and we are adding another 90,000 rooms in the next five years—25,000 in the full-service hotels, suites, and international hotels; 20,000 in Courtyard; 20,000 in Residence Inns; and 25,000 in Fairfield Inn. And as Courtyard and Fairfield Inn started running out of markets in the larger cities, we reduced the number of rooms from 150 to 105, making them more appealing to the smaller markets.

As we look at the future and talk about strategy in our company, we know that we can build advantage through cross-business leverage. We have reservation systems across our company, but they are not linked together very well. You call one number for Courtyard, another number for Fairfield Inn, and yet another number for Marriott full-service hotels. We are trying now to pull all these products into one reservation system, so that when someone calls for a room in Atlanta, we will be able to say, "Which one of our 33 hotels in Atlanta do you want to stay at?"

There is a lot of transfer between different lodging products, depending on the occasion. We find that when businessmen are traveling on expense accounts, they like to stay in a first-class, full-service hotel. When they are traveling to make a quick sales call, they will stay in a Courtyard. When they are traveling with their families they will go with the economy segment, because they are spending their own money. So we have to have a cross-lodging strategy. We

have to be able to put in the hands of that reservation agent in Omaha, Nebraska, the ability to sell any lodging product wherever that guest wants to stay. If he or she is going to Atlanta and does not want to stay in the full-service, downtown hotel, but wants to stay in the Fairfield Inn at the airport, we've got to be able to provide that service and that reservation.

This is a major systems undertaking for us, and we have joined hands with American Airlines and a new company called Confirm that will, we hope, create state-of-the-art reservations—with Confirm, Hilton, Marriott, Budget Rent-A-Car, and American Airlines all being partners and then selling the service to other hotel companies who want to participate in it.

Another area of cross-business opportunity for us is the diversity of our own company. We find that in many, many companies we do the headquarters feeding in our food service management group, and these people also stay with us when they travel. We have many opportunities to cross-market with customers who are served by different segments of our organization. So under my brother Richard's leadership, we have established 36 business councils across the United States, one in each major city where we do business, and these groups of businessmen meet together once every quarter, oftentimes every two months, to talk about joint opportunities and joint problems. So we are trying to cross-pollinate between divisions and get the company to speak with one voice in these various cities.

Strategic focus, I think, is anything in your business that can give you a competitive advantage, a competitive edge. It is product improvement, distribution, and brand-name recognition. And successful strategy, I believe, also means growth. You win through growth because growth unifies the organization, gives power and direction to the organization. There must be a commitment to grow and a commitment to win by all senior managers. Growth increases competitive advantage, generates profits, and increases shareholder value. I don't believe that it is necessary to continue to diversify, but it is necessary to compete and do a better job with what we have.

Innovation is vital to developing a competitive advantage. We have found

that our new products are best developed in so-called "skunkworks," away from the mainstream of the business. Courtyard was developed by Butch Cash, who didn't have anything to do with the hotel division. He was over in another part of the business and was putting his own time and effort into it. The hotel division was caught up in many other things and was not putting the effort and time into the product that they needed to.

When we got ready to develop Fairfield Inns, we pulled it out of the mainstream of the hotel division and gave it to a separate group of young men and women. They developed it on their own. Allie's has also been developed separate from the major group. These products were not developed by the main core businesses, but did come from people within the company, and more importantly, did not come from my office.

Innovation says that it is important to seek an opportunity, to recognize it and make it work. And making it work, of course, is everything. Execution, or responsiveness, is the most important part of business. It is also important to do the research and the analysis and then build the product, but build it on paper first. You do the very best you can and then use your own intuition, your own experience, to take it a bit further and carry it on.

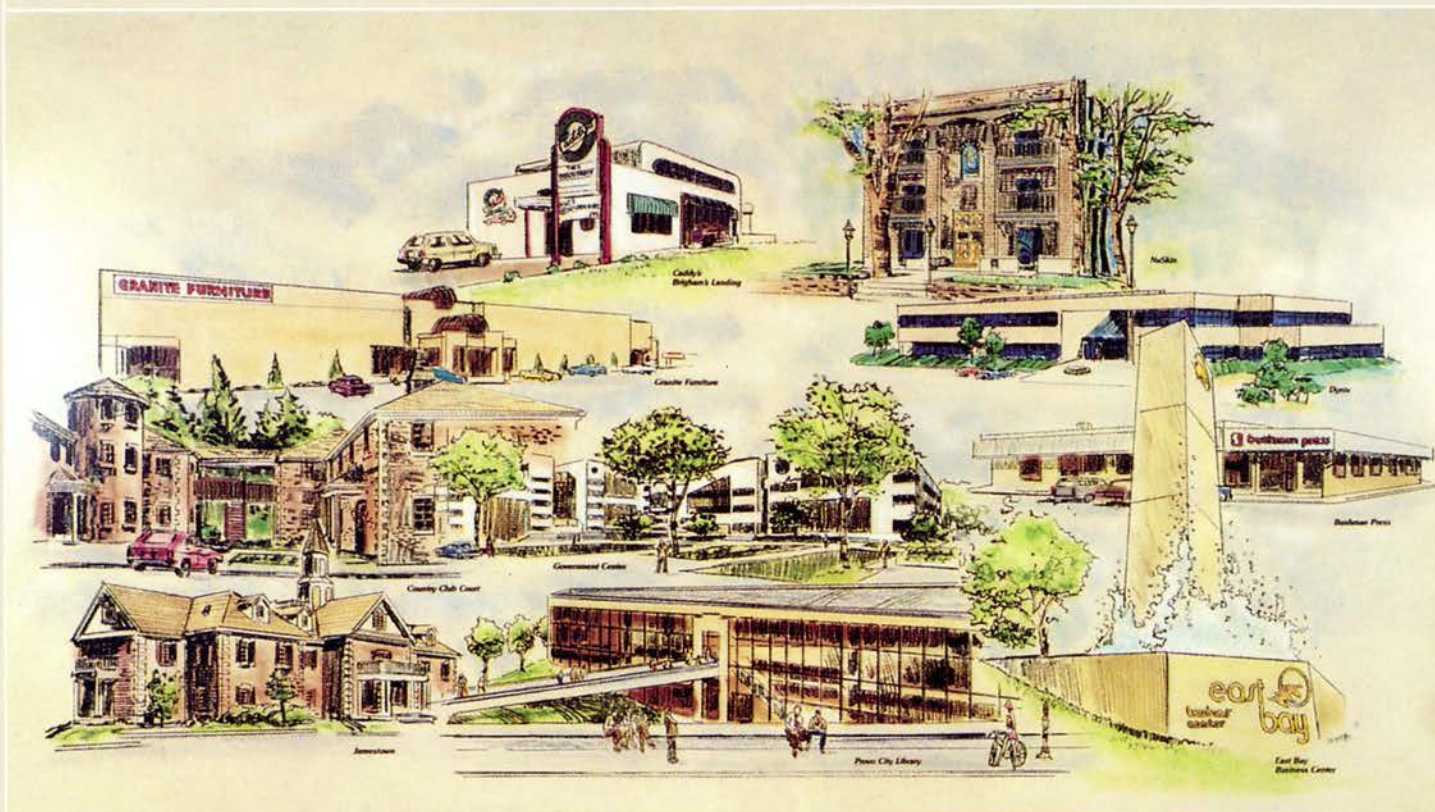
Again, I would like to mention that real growth does come from a series of small, continued successes. The CEOs of companies must set a climate that allows a willingness to risk, a willingness to foster innovation, and a willingness on the part of the CEO to tolerate failure.

Finally, teamwork. Don Peterson, the chairman of the board at Ford, says the reason for the turnaround at Ford is teamwork. To me, teamwork means that everybody in the company is doing everything possible to make the company successful. Team members do not follow their own agenda, they follow an agenda that makes the company more profitable. The more successful you are in getting that down to the lower level, the more successful your companies will be.

In summary, strategy is whatever is important to your business, whatever helps you gain competitive advantage, and whatever helps foster shareholder wealth.

Provo

THE RIGHT MOVE



THE PRIDE IS BACK

We see it all around us. It's reflected in the new growth that's occurring in every sector of the community. It's mirrored in the renewal and expansion of long-time assets already in place. It's revealed in the official construction tallies of Utah's major cities that show Provo leading the state in new commercial growth by a substantial margin. It's expressed in the commitment to repair our roads and build a new library for our children. But most of all it's manifest in the attitude of our citizens. People make a city great. People dream, strive, change and achieve. Provo's continued growth and vigor will be a reflection of the vision and stamina of her people. Our city's future belongs to all of us.

Joseph A. Jenkins
Mayor

FOR MORE INFORMATION CONTACT:

Provo Office of Economic Development
152 West Center Street
Provo, Utah 84601
(801) 379-6160





J. WILLARD AND
ALICE S. MARSH
SCHOOL OF MANAGEMENT
39 TANNER BUILDING
BRIGHAM YOUNG UNIVERSITY
PROVO, UTAH 84602

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