Commencement   About GGU School of Law

6-2-1984

Commencement Address - Charles A. Lynch

Charles A. Lynch

Follow this and additional works at: http://digitalcommons.law.ggu.edu/commencement

Part of the Legal Education Commons

Recommended Citation

"BACK TO BASICS"

Golden Gate Univeristy Commencement

San Francisco

June 2, 1984

Charles A. Lynch

GOLDEN GATE UNIVERSITY

I imagine many of you have had the opportunity to read Nagel

Miner's book, The Golden Gate University Story. Perhaps it's

required reading for students at GGU. In any case, I was

personally very interested in Mr. Miner's account of the

University's roots, history and development...particularly

his description of how the school emerged from its origins as

a YMCA in the mid-nineteenth century.

I realize this is one audience that doesn't need to be told

that Golden Gate is recognized and respected as a responsive

educational institution. In fact, I trust that each of you has

benefited first-hand from the school's excellence.

You are also, I know, aware of the many contributions Dr. Butz

has made toward building the school's image and credibility

during his 15 years as President. Today Golden Gate boasts an

enrollment of over 11,500, and a reputation as one of the nation's

major learning centers of its kind. Pride in this achievement

was evident at your recent University-wide reunion.

I'm sure you would agree that the University's success stems

in part from its ability to meet the educational needs of the

community and in part from your participation and contributions.

<u>MESSAGE</u>

I would like to focus my remarks today on how Golden Gate University has <u>met</u> <u>your</u> <u>needs</u>, perhaps more significantly than you know. I'd like to share with you some ideas and a few experiences from my personal career. Experiences that have led me to this conclusion: <u>the</u> <u>road</u> <u>to</u> <u>success</u> <u>in</u> <u>business</u> <u>is</u> <u>paved</u> <u>with</u> <u>the</u> <u>basics</u> ... the same basics you have learned here at Golden Gate University.

During my thirty-odd-year career, I've spent a good deal of time in the "front lines," so to speak, working with people to help solve problems. I've done my share of moving, motivating and developing businesses which have been in difficulty. I was fortunate to learn very early that if you listen to the people, and go back to the basics, success comes naturally. So, if you take nothing else with you today -- I'd like you to remember and believe this: <u>Business</u> <u>evolves</u> <u>around</u> <u>the</u> <u>basics</u> <u>as</u> <u>does</u> <u>a</u> <u>successful</u> <u>life</u>, in my opinion. There is no magical, mystical miracle about it. Success doesn't depend on a unique or special "genius." Success comes from adherence to the basics ... from understanding what the basics are and executing them every day.

We hear over and over again that "You can't take it with you!" Well, let me go on record as saying, "In this case, you can and <u>should</u> take it with you." The concepts, ideas, theories and methods you have learned over the past few years will be among the most important you'll ever learn. I'm here to encourage you to use them.

ENVIRONMENT OF THE 80s

Let's focus for a minute on the environment of the 80s ... the
world in which we are striving to succeed.

Life in the 80s, in a very real sense, is life on a fast track.
It is ironic that on this date -- June 2 -- in the year 1896,
a man named Marconi received the first radio patent for the wireless.
Today communication is instant ... around the globe ... good or bad.

Today's technology has created a very small, highly competitive
world. Every day business decisions must be made on the spot.
The ability to make the right decision quickly and effectively
is critical. Correct execution of the business basics under these
conditions is the difference between success and failure.

In this competitive era -- with its high tech, high pressure and
high risk -- businesses face the danger of being caught up in the
current of the latest fad. I have seen this happen all too often.
Computer mania is an excellent example. Computer technology ...
particularly in highly specialized industries ... is very important.
But that is not to say that every executive, clerk and counsel needs
a PC as an office mate. Any technology should be used as a support
to business, not as a substitute for it. Technological advances
are not the substance of business.

Our small world with its explosive technology, intense competition, and well-educated populace, is above all, constantly changing. We can't afford to rest on our laurels and assume that the criteria and cautions of today will remain tomorrow. We must constantly refine our application of the basics.

So, we face several dangers in our path to success in the 80s: the danger of believing success stems from "genius;" the danger of being derailed by fast track fads ... trying to "keep up with the Joneses," so to speak; and the danger of being lulled into complacency.

Getting Back to Basics is the best way to combat these dangers.

Let me toss out a hypothetical scenario just for fun. Imagine a world in which every business is run successfully. I mean EVERY business ... including the business of government.

You're right. It's unrealistic ... simple ... but intriguing. Think of what would happen to the major problems plaguing society ...hunger, unemployment, the national debt, interest rates, the list goes on and on. They'd virtually take care of themselves.

Businesses would generate revenues; they'd employ more and more people; they'd pay taxes; the government wouldn't have to borrow excessively; interest rates would drop. An interesting concept, don't you think?

This view is simple, but it's not new. It's like motherhood
and apple pie ... it's been around ... and it has validity. What's
more important as you move out into the business world is that you
can do something about it - contribute!

I'd like to focus for the next few minutes on what I believe
it takes to run a business successfully -- the basic building blocks
I have followed for business success.

o   Strategic Planning

o   Financial Budgeting and Controls

o   Human Resource Development

o   Communication, and

o   Community Involvement.

For our purposes I will limit my comments to the consumer service
business -- since that's the side of business I'm involved in and
with which I'm most familiar. I would think non-business-oriented
efforts would benefit from these concepts as well.

STRATEGIC PLANNING

The first building block is strategic planning. William Christopher,
author of Management for the 1980s, is fond of saying,

    "Strategy wins wars, wives (and husbands, I'd add),

    elections, ball games and business success".

He suggests that strategy is not a what, where, who or when.
Strategy is a how. It is the larger picture, beyond the day-to-
day "tactics" of business.

Peter Drucker ..."Mr. Management" to some ... also emphasizes
the importance of strategy. "Whatever your company's business."
claims Drucker, "you must decide what opportunities to pursue,
what your scope and structure will be, where you will spend your
time and money and how you will organize."

The foundation of strategic planning lies in the careful analysis
of what I've been taught as the three "Cs": Customers, Competitors
and Costs. You ensure your company's long range success through:

o   understanding your markets -- who your customers
     are and what motivates them;

o   being familiar with your competitors -- who else is
     operating in a similar business, how well they are
     doing, and what they can do to you; and

o   evaluating the cost structure of your business to
     manage it for optimum profitability.

At Saga, we divide the strategic planning process into several
elements. We begin with a broad conceptual direction based on a
thorough examination of economic, environmental and social trends
predicted over a ten-year period. Then we determine more specific
strategies for each division over a five-year period. Next,
each division develops an annual budget. And finally, we arrange
financing and plan for human resource requirements. Throughout
the strategic planning process evaluation is a key, and all
elements of the process are monitored and modified as necessary.

This strategic planning process at Saga has resulted in a specific Action Plan. To date we have completed three of the plan's four phases -- financial control, planning and development -- and we're now in the fourth phase, the growth phase. I must say our plan has been successful -- our financial results speak for themselves. (Specific examples, if desired.)

FINANCIAL CONTROLS AND BUDGETING

Financial controls and budgeting are the second building block of business success.

I have already alluded to the importance of financial controls ... and I think the critical nature of this subject is generally understood. Suffice it to say that without financial controls -- in place and operating efficiently -- long term success is not feasible.

The key to financial control is actually two-fold. First, you set a level of achievement ... visible, quantifiable and measurable. Second, you provide the necessary information to your people "down line" who are ultimately responsible for achieving the goal. You ensure that the people who implement your budget understand it and have the best tools (e.g. technology) available to achieve it.

Frequently, tough asset and cost controls are necessary to cut the fat from corporate budgets. When I came to Saga in 1978, one of the first moves we made was to initiate a controlled diet for the company. We are now lean and mean! As Peter Drucker points out clearly in his book Managing for Results, the essential prerequisites for effective financial control are identification, measurement, classification and control of costs.

Of course, he also says, "The annual cost reduction drive is as predictable in most businesses as a head cold in spring...and about as enjoyable!"

HUMAN RESOURCE DEVELOPMENT

Human resource development -- the third building block of success -- is the central pillar of the structure.

I think it was Drucker who said, "Business is a human organization, made or broken by its people." I believe all business success is predicated on the competence, skill and ingenuity of people.

Therefore, one critical objective for every company must be to attract, develop and retain management talent. Comprehensive and effective management development and training enables a business to:

o   Maximize the potential of every employee

o   Provide maximum satisfaction to its customers,

o   Meet strategic goals and support future growth

I'll tell you, in our company -- a service organization 50,000-people strong -- motivating and training our people is a heavy responsibility. It's perhaps our key challenge, and I believe we have the best Management Development and Training Program in our industry.

Human resource development is, of course, an evolutionary process. The decade of the 80s is dramatically different from that of the 70s...or the 90s. Consequently, to be well-prepared, employees must be well-trained and re-trained. Professional skills must be continually developed and nurtured through meaningful training opportunities.

Let me add that professional growth doesn't occur in a vacuum. People who want it, welcome it ... and the attitude is contagious.

Peters and Waterman spend a good deal of time in their best seller, In Search of Excellence, focusing on the importance of a company's attitude toward people in the organization. Their comment is that "When we look at the excellent companies, we see a genuine people orientation."

COMMUNICATION

Company's with this "people orientation" place a great deal of
value on communication -- the fourth building block of success.

Actually, communication is far more than a building block ... it
is the foundation of business success. It is the common denominator
to success or failure.

Effective communication starts with mutual respect, or as Peters
and Waterman say, "trust." Ed Carlson, former United Airlines
President, has been quoted as saying, "Nothing is worse for morale
than a lack of information down in the ranks. I call it NETMA --
Nobody Ever Tells Me Anything!"

Mutual respect precludes what I call the "audit attitude." True
respect erases the need to monitor people and replaces it with
recognition of their contributions ... giving credit where it's
due.

I think it's a disgrace that we hear such an uproar today about
"asking employees what they think"...as if it were a revolutionary
idea. The concept is one we exported to Japan ... and now we realize
how good it is!

Constructive, open communication leads to innovation, because it
gives everyone -- regardless of "rank" -- the opportunity to
exercise the freedom to create.

COMMUNITY INVOLVEMENT

The final building block to business success is community involve-
ment.   I call this "giving a little back."   I suppose community
involvement isn't literally a business basic -- but it is an
obligation.   We shouldn't lose sight of the fact that we don't
build our businesses in a vacuum.   We exist and co-exist in a
free society, and we have an important responsibility to help our
communities grow and develop.   It is, after all, this same free
society that gives us the opportunity to create and compete.

SUMMARY

Let me sum up with these comments.

First, apply your new found knowledge.   You've garnered a good deal
of important information during your years in the classroom of
Golden Gate.   You've also developed a number of useful interpersonal
skills as part of your education.   And you've undoubtedly gained
some "street smarts" from your day-to-day experiences.   Put all
of this knowledge to work.

Secondly, be alert to the dangers of fast track fads and complacency.
Remember, too, that change is constant: always expect the unexpected
and stay in touch with your environment.

And thirdly, <u>Get</u> <u>Back</u> <u>to</u> <u>Basics</u>. Build with the basic building
blocks of business success:

    o   Strategic Planning

    o   Financial Budgeting and Controls

    o   Human Resource Development

    o   Communication, and

    o   Community Involvement.

I'm sure you've heard this witticism before: Given all of the
facts, the decision is <u>obvious</u>.

It may not always be obvious or even easy .. but with the right
building materials, you can build anything! I believe you will
make a contribution.

Thank you.

BIBLIOGRAPHY

Christopher, William F.   Management for the 1980s.
    New York, 1980.

Drucker, Peter F.   The Changing World of the Executive.
    New York, 1982.

Drucker, Peter F.   Managing for Results.   New York, 1964.

Foltz, Roy G.   Management by Communication.   Philadelphia, 1973.

Hecht, Maurice R.   What Happens in Management: Principles and
    Practices.   New York, 1980.

Miner, Nagel T.   The Golden Gate University Story.
    San Francisco, 1982.

Peters, Thomas J. and Waterman, Robert H., Jr.   In Search of
    Excellence.   New York, 1982.