

They're a breed apart

Book puts spotlight on company crisis-solvers

It's tough enough to find a big shot to speak at commencement, college and university officials know. So why is it, they ask, that Gerald Meyers can get top executives every week out to Ann Arbor to speak to his University of Michigan graduate class on crisis management?

"We tell them you're going to meet 55 to 60 very bright, articulate and well-informed people who are beneficiaries of an enormous amount of research," says professor Meyers, the former chief executive of American Motors Corp. "They are not only the executives of tomorrow, but the managers of the near future. And the way they think about your corporation is important."

Based on his classroom forums, Meyers and his daughter, Susan Meyers, have written a book about successful

JON PEPPER



management styles in business crises called *Dealers, Healers, Brutes & Saviors*. They suggest eight different ways to address crises, and use an unlikely collection of 24 executives, many of them based in Metro Detroit, to illustrate their points.

UAW President Steve Yokich and Detroit Newspapers Chief Executive Frank Vega might not be caught together in the same room. They appear together as separate profiles in the book, however, as examples of superior crisis managers in very different scenarios.

Please see PEPPER, Page 3B

Learn from the experts

In his book *Dealers, Healers, Brutes & Saviors*, former American Motors Corp. Chairman Gerald Meyers profiles 24 executives he believes responded effectively to crises. Some Metro Detroit examples are:

■ UAW President Stephen Yokich: A lengthy strike against General Motors Corp. in Flint in 1998 paved the way for a peaceful settlement in national bargaining the following year in spite of difficult problems between the company and the union.

■ Recently retired Kmart Corp. Chairman Floyd Hall: He took over a failing and decrepit retailer and set it on

a firmer business foundation, giving subsequent leaders a good base for improvement.

■ Longtime Ford labor relations chief Pete Pestillo, now head of Visteon Corp.: He worked patiently over years to forge relationships with the UAW that made it easier for both to understand and act on common opportunities instead of differences.

■ Detroit Newspapers CEO Frank Vega: He insisted on efficiency improvements at the newspapers, even at the expense of a lengthy labor dispute, and thus put them on a firmer operating basis.

■ Richard Snell, chairman of Federal-Mogul Corp.: Snell totally remade a company that had followed a radical and disastrous strategy, in part by returning it to its roots as a quality-driven manufacturer.



Yokich

PEPPER

Continued from Page 1B

"The Flint strike (against General Motors Corp. in 1998) required real leadership," Gerald Meyers says. "The interesting thing about Yokich is that he doesn't interject himself. He takes a back seat. He's too smart to say, 'I did this,' or 'I did that.' But I think he was setting up the following year's negotiations, and he did. There wasn't any taste in the ranks of GM for a strike then."

Vega, meanwhile, has been the target of UAW and other labor unions' wrath since the bitter newspaper strike began in 1995. He visited Meyers' classroom three times during the strike, always with a bodyguard. Vega is profiled first in the book "because he's got to be the one who pumps your adrenaline the hardest," Meyers says.

"I give Frank Vega an A-plus-plus," Meyers says. "He was put in a position of fixing the cost situation at the newspapers, and the unions played into his hands. (The strike enabled the papers) to accomplish in six to nine months what would have otherwise taken two or three contract negotiations."

At the other end of the labor relations spectrum is former Ford Motor Co. executive Pete Pestillo, chairman of the new Visteon Corp. Pestillo, in no position to go to war with Ford's unions, studied and worked the Byzantine corridors of union politics to craft deals that were considered victories for all sides — except Ford's competitors.

"All labor relations are law, economics, politics and theater," Pestillo says in the book. "If you botch theater, politics

and law, you can't make it up in economics."

Gerald Meyers gives high praise also to Floyd Hall, who recently resigned as Kmart Corp. chairman after returning the company to profitability, and Richard Snell, chairman of Federal-Mogul Corp. Both companies have tumbled in the stock market recently after earlier successes, but Meyers sees them as solid leaders for different reasons.

"I call (Hall) a healer, who was brought in for the short run to stabilize the company and get out," Meyers says. "He's not the guy to take a company from beginning to end, and he's the custodian for 25 years. He's the guy who you bring in when there's a hot crisis, and a job that has a beginning, middle and end, and then he's gone."

Snell, meanwhile, is portrayed as a skilled salesman who can lead employees to focus on "BHAG," the acronym for Big Hairy Aggressive Goal. Snell turned around the Southfield-based auto parts manufacturer in the late 1990s and was hailed as a savior just a year ago. Since then, Federal-Mogul's stock has plummeted more than 80 percent, which suggests Snell has another opportunity to prove himself as a crisis manager.

"When you put 24 executives in the book," Meyers says, "some can go way up and some can go way down."

Meyers should know something about crisis management. At AMC, he was always short on cash and talent. He managed to ride his Jeep brand into an acquisition by Chrysler Corp. in 1987. He never had to worry about cash flows again.

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