My Life Story wasn’t written for a college class, but for “the benefit of my grandchildren and great grandchildren for when they get to an age to be interested in who their grandpa/great grandpa was, what life was like way back then, and where he came from.” All quoted references are from My Life Story…

1. In a chapter on my early years with my family, I reflected on some of my Dad’s statements/actions which influenced my life. (He was a geologist and the Chief of the Illinois State Geological Survey which was located on the south campus of the U of IL.). Following are three paragraphs from that chapter:

“Dad enjoyed the scientific work far more than the administrative work, but over the years as the survey grew from one or two scientists to over 150, administration consumed most of his working time. One time when he was struggling over presenting the annual budget in Springfield, I remember him commenting at the dinner table, “I wish I had taken some administrative courses in college. Then I would have confidence in what I’m doing and know better how to present my case.” That statement played a big role in my pursuing accounting in college and as a career.

“When he and the Survey were instrumental in the discovery of oil in southern Illinois, and the Survey could pinpoint likely areas because of its underground mapping, he passed up the opportunity to invest in oil well drilling. He felt it would be a conflict of interest. This fact had a great influence on my attitude toward business ethics. If only public servants today had the same standards!

“He was always very supportive of the 3 of us boys in our sports endeavors. All of us were encouraged to learn the fundamentals of most sports and to participate. With zeal, Dad stressed good sportsmanship. Is it strange, then, that in 1945 when Dad was asked to deliver the commencement address to my high school graduating class that he picked as his title, “The Higher Sportsmanship”? In it he encouraged a worthy viewpoint in the way of conducting one’s life, a spirit of fair play in whatever one chooses to pursue. He used quotes from Jefferson and Lincoln, his two idols in American history.”

1. My chapter on Careers covered my working life. At first, I entered public accounting with Lybrand, Ross Bros. and Montgomery (after various mergers and name changes, it is now Price Waterhouse Coopers). Our offices were in Rockford, IL, and our practice covered the northern half of IL plus small areas in Wisconsin, Indiana and Iowa. Most of our audits were of small to medium-sized companies, and lasted for 2 – 3 weeks.

“As my professor had predicted, working with the variety of clients the firm had was a very broadening experience, particularly in observing management styles and the personal lifestyles of the executives. Preparing tax returns for these people was very revealing, and there was a direct correlation between those who were very generous in donations and those I had come to respect most. This finding had a great influence on my attitude towards charitable giving.”

1. My time in public accounting was interrupted by the Korean War. Based on my CPA, I had received a direct commission in the Air Force. I was called to active duty in November of 1951 and assigned to the Accounting Systems Division of the Air Material Command based at Wright-Patterson AFB. This was a small division of about 10 people, 7 civilian and 3 Air Force. We dealt with improving the accounting systems for the Air Force, and I found it challenging.

“Upon the end of the Korean War at the end of July, 1953, reservists were given the chance to return to civilian life at the completion of 21 months of active service, rather than the 24 we had committed to. I didn’t hesitate and tendered my request. The experience was very beneficial for me, as I learned a lot, enjoyed the people I worked with and felt that I made a good contribution. Apparently, my superiors felt so, too, as I was offered a high-level Civil Service grade to stay on as a civilian upon my discharge. And, several months later I was awarded the Commendation Ribbon for my work in the Air Force.

“At the end of my tour of active duty in September, 1953, I returned to Lybrand in Rockford, accepting a salary far below what I had been receiving as a First Lieutenant and much below the Civil Service offer. I felt this would be an investment worth making. At Lybrand there would be many opportunities to move into industry (my goal) after a couple more years of experience.”

1. If you wish to open pandora’s box about the reasonableness of executive pay today, the following was an approach we took at Woodward Governor Co., the company I joined following my public accounting experience.

“The maximum pay that the highest paid person could receive at Woodward was limited to 10 times what the lowest paid full-time person received. That relationship was adequate for the complexity and size of our company (about 2,000 members worldwide). We had access to many national pay surveys which showed our top salaries much too low, but they were adequate as we didn’t compete for bringing in outsiders. The important point is that we considered the relationship which showed our concern for fairness and reasonableness.”

1. On the following couple of pages, this is how my firing (request for resignation) was handled at Woodward. At that time, I was President and a director of the company. Clearly, it is very personal, showing my feelings, not having been written for your audience, but I am willing to share it.

“My most traumatic event was when I was fired from Woodward Governor Company on October 21, 1972. As President of the company, I had gone on a 3-week business trip to Europe, which combined plant/office reviews in England, Holland and Switzerland with key calls on customers in England and Germany. I had completed all of my customer calls and was in Switzerland with our European sales manager when I received a call from a director and vice president of the company back in the Rockford, IL home office. He said that Irl Martin, Chairman and CEO, wanted me to return right away for an important meeting.

“Without suspecting that anything was awry, I cut two days off my trip and returned directly to Rockford, arriving on a Thursday night. Since I arrived late, I didn’t take the time to go to the

plant to get my company car. Instead, I called my hand-picked successor as Treasurer, and asked him to pick me up the next morning since he went by my house on his way to the office each day. On the way I asked him if he knew what Irl’s urgent meeting was about that brought me home early. He sidestepped the question with a remark that I’d find out after the morning mail meeting. (He knew, but could not betray his standard of confidentiality. This I understood, but he never apologized to me later.)

“The daily morning mail meeting was attended by all the local executives of the company, and I chaired it when I was in town. It was customary that any significant customer contacts would be reported at this meeting. I reported on my trip to Europe with enthusiasm, as I really felt I had made some great progress with some of our customers. At the conclusion of the meeting, Bruce Livingston, Vice President and Plant Manager, asked if he could see me right away in my office. “Of course,” I responded, still unsuspecting because we had such a good rapport.

“When he closed the door behind him, I sensed that something bad was about to happen because I never closed the door to my office. He apologized for being the one to deliver the news, but he said he volunteered because he felt we had a fine relationship and respect for each other. He presented me with a simply worded letter of resignation for my signature, saying that this was Irl’s wish and the Board supported him. Identical letters were being presented to two of my Vice Presidents while Bruce was with me. Irl had chosen to leave town rather than face any of us. It was Irl’s wish that I vacate my office immediately and not return to the plant again. I would be paid through the end of the calendar year, at which time my medical benefits would also terminate.

“It was difficult maintaining my composure. I restrained myself from lashing out at Bruce, because he was only the carrier of the news. My first thought was not to sign the letter, but to find a way to cause Irl to change his mind. He was so employee-oriented that I thought maybe I could go to the microphone on the mezzanine overlooking the shop from where I had many times made announcements or introduced visiting dignitaries. From there I could state the facts and make a plea for my fellow members, if they supported me, to petition Irl. I knew I would have their support, but what would that accomplish? It would only cause division within the company I loved, but would not alter the outcome. Irl was my boss and had the power to fire me if he wished.

“After a few moments of silent reflection, I responded to the effect that I knew I was done, and there was no point in arguing my dismissal. I would sign the “resignation”. But it would be in the company’s best interest to have me continue to come to the office for the next week in order to write my trip reports and send letters to each of the customers I had just called upon to confirm agreements, inform them of the change, and assure them that there would be no loss of continuity in relationships between the two companies. I would agree, however, to stay out of the main office and plant so as not to interfere with a smooth transition.

“Bruce said he agreed with my proposition and would make sure Irl accepted it. He said he had been selected to be my successor, and I wished him well. I secretly wondered how many years he

would last before the same thing happened to him. (My predecessor lasted five years; I, six years.)

“I called Grace immediately, and calmly asked how she was. She said that she was not feeling well that morning. I replied that I wasn’t either, for I had just lost my job and was coming home.

“Word traveled fast, and that afternoon we had a big crying fest in the kitchen of our house when many of my colleagues dropped by to offer their condolences. Several from the Ft. Collins CO plant called immediately upon hearing the news. All of that support, plus that of our close friends, made it easier to accept the blow. I was reminded that I wasn’t the first president Irl had dismissed, and I wouldn’t be the last. A special article, “Salute to Dick Leighton,” appeared in our local newspaper the next week, and that did a lot to build back my confidence in myself.

“We called Nancy and Barb at their sorority in Ft. Collins immediately to tell them the shocking news, since Woodward had a plant there and we didn’t want them to get the news indirectly. We touched on the fact that we didn’t know yet what impact it would have on their schooling, but it was clear that it could. Nancy commented that she was to have her first date with a neat boy that night, but now she didn’t know whether she should go. We encouraged her to, and two years later she married him (Mark Liebetrau). Perhaps that gave them something to discuss that helped reveal common values.

“Only upon reflection now, do I realize how much support I had from Grace and our three girls. They stood by me, encouraged me and offered to make whatever adjustments in their lifestyle that might help.

“I never had any second thoughts about whether it was right for Irl to fire me, but I struggled over the way it was done. It was like a Gestapo job; all of a sudden, the leader of the company I loved so much was not willing to treat me with respect and dignity as he had taught me to do toward the “members” of the company. Why did Irl “cop out” and not face me himself? Why didn’t he meet with me to tell me why I was fired? I knew that he and I had had differences over some issues, but I had always gone along with his decisions, once they were made. Why didn’t he trust my professionalism to provide an orderly transition for my successor and our customers?

“These hurts over the way I was treated have never left me, for I have always felt I was a man of integrity. Some of my former colleagues have continued to show their support in many ways. Without sanction from the Company officers, a large “retirement party” was held for the three of us who were fired, and many years later Jerry Chamberlain invited us to attend the annual Woodward retirees’ reunion in Florida, which we did in 1992. These and other attentions helped to allay our hurts.

“This lesson taught me to show compassion and be a gentleman in the process of dismissing an employee. There’s no tougher job in being a manager.”

1. My next career was with Barber-Colman Company. Barber-Colman was a mini-conglomerate deriving from a master inventor’s many inventions. At that time, it consisted of 8 autonomous

divisions. Although I started there as a Division Manager and Vice-President, I was asked to become the CFO a couple of years later when our Board of Directors made a change in the CEO position. That was in 1975. This change in leadership occurred when our banks threatened the family owners with the suggestion that the company cut its dividend in order to pay down its bank debt. (The family were dependent on the dividends for their life style). The CEO and I set about to improve cash flow through the divisions so that reducing dividends was not necessary.

“In 1977, while we were diligently focused on an improved track record, Congress passed the Foreign Corrupt Practices Act which banned “sensitive payments” by U.S. companies doing business overseas and imposed severe penalties on companies caught making them. Basically, it was to prohibit bribes and under-the-table payments made in the course of getting and doing business abroad. Our original business was in textile machinery, and in the 1970’s the bulk of our sales of these products were to third world countries. We utilized local agents to make these sales, and some of them had been buying off customs people of those countries who controlled what could enter the country. That was the way business got done there. Upon passage of this law, I launched an extensive audit of our practices which found that our Textile Machinery Division had an exposure. With full approval of the CEO, we issued a policy statement prohibiting such transactions. That circumstance led to the creation of a Policy Manual for all officers. Our in-house legal counsel, who reported to me, administered it.”

1. As a values-based company, we felt strongly about supporting our community as one of our stakeholders. In 1987 the Board approved a plan to seek a combination with a global company in order to more fully participate in global markets.

“As we were putting together the sale of the company, I discussed with the CEO the sale’s impact on the community. We concluded that, although employment should not be affected, financial gifts and company leadership in the community would likely suffer since an absentee owner, particularly a foreign company, would not have the same level of commitment as our locally-owned company had. We discussed ways to offset that, and came up with the idea of manager stockholders gifting a portion of their stock to the Rockford Community Trust where the funds would be managed for the good of the community forever. We set up a meeting with all of the local management shareholders and John Holmstrom, Jr., Executive Director of the Trust, and laid out our plan, having commitments already in hand from the top officers.

“Forty of the 41 local management shareholders offered 5% of their stock for this program resulting in $2,760,397 added to the Trust. We further specified that it was to be divided into 3 funds: $1,000,000 as an endowment for Rockford College, $1,000,000 as an endowment for the Rock Valley United Way, and $760,397 unrestricted (the Trust’s Community Needs Fund). The 2 organizations endowed were ones the company had favored in its past gifting. Additional gifts from other shareholders and turning the Barber-Colman Foundation assets over to the Trust swelled the Trust assets to nearly $5,000,000 – up from less than $1,000,000 before the transaction. That put the Trust (now called Community Foundation of Northern Illinois) ‘on the map’.

“This action is one of my proudest at Barber-Colman. And, I might add, I discussed this with Nancy, Barb & Linda who also had benefited in a big way from the sale, and they, too chipped in 5-10% of their stock which, when combined with another 5% of mine, added over $500K to the Community Trust. We designated the use of our funds, dividing them equally between organizations dedicated to basic human needs or culture, all as endowments.”

1. In one of my answers to a student question previously, I referred to early philosophies/quotations that had a strong influence on me. One of them was the Boy Scout Law which says: “A Scout is trustworthy, loyal, helpful, friendly, courteous, kind, obedient, cheerful, thrifty, brave, clean and reverent.” In My Life Story, I reflected on each of these traits briefly, and here’s what I said about being Cheerful.

**“Cheerful.** “The Power of Positive Thinking” was a concept developed by the late Norman Vincent Peale, and one I subscribe to. Cheerfulness works wonders - it can be contagious. Everyone likes to be around a cheerful person, and no one likes to be around a gloomy or negative person.

“On occasion I’ve been called an eternal optimist. The cup is always half full, not half empty. Things are going to turn out O.K. One’s attitude helps make good things happen.

“When I sat for the tough 2-day CPA exam, I took with me a card on which was printed the word ‘Smile’. I set this card in front of me, and whenever I came to a tough question I’d look up at that card, smile, and relax. Then I could come up with an answer. I passed all 4 parts of that examination with high marks on the first attempt, and I attribute some of that success to taking time to smile to release tensions.

How a smile helps one succeed! I love this poem:

**The Value of a Smile**

Nobody ever added up

The value of a smile;

We know how much a dollar’s worth,

And how much is a mile:

We know the distance to the sun,

The size and weight of earth –

But no one’s ever told us yet

How much a smile is worth.

– Author unknown”