

## B E N C H M A R K S

Based on a conversation Edward Pennell Brooks had with his grandchildren on the occasion of his 85th birthday...July 11, 1980, Hinsdale, IL

It occurs to me that often we know less about some of our ancestors than we do about anybody else--and they're our closest relatives! Sometimes all we know is the date of their birth and the places where they lived and when they died. If one of them gets really important, the world knows about it only when the historians dig into his life.

You all came here to help me celebrate an important birthday. So I thought it might be a good idea if you left knowing a little bit more about your grandfather than you did when you came.

I'm not going to tell you about the things I've done--the successes and failures in my life. When I started thinking about how I could tell you a little bit more about this ancestor of yours--me!--it struck me that I might best do it by letting you in on certain ideas that have guided me since I was a boy. They have shaped the kind of person I am. I call them "benchmarks".

A BENCHMARK is a technical term used in surveying. It identifies a certain location which can be accurately described by latitude and longitude and is given a permanent marker. It is this point that is used as a starting point for all further measurements in that particular vicinity.

I have put my benchmarks into short sayings that are easy to remember, and I'd like to pass them along to you. They might be helpful to you sometime in your life. I'm not asking you to accept them--you'll have to test them for yourselves. The important thing right now is that they are benchmarks that I adopted for myself and they have been helpful to me--so they ought to tell you something about me. Like all generalizations, they are partly true and partly false--so they can't be followed blindly. Your own intelligence has to come into play, too.

I've made a list of some of these sayings--call them maxims or adages or even proverbs, or anything you want! Some are original with me, some came from people around me and I can't even tell you where some of them came from. But they are my personal BENCHMARKS--my guideposts--my stars to steer by.

The first was given me by my mother--your great-grandmother--who was a very wise and wonderful woman. She said: "Be yourself, but be sure yourself is worth being."

Now that's a double-edged sword. I've caught myself from time to time being "myself" so strongly that I became a real "stinker". Then I got slapped down with the rest of the saying--"but be sure yourself is worth being", and sometimes I went so far the other way that I lost all evidence of E. P. Brooks! However, it is a wonderful thought--and has often served me well.

Another benchmark is "whenever possible make personal reconnaissance". I have used this so often that I've been told it ought to be my middle name! What it means is simply that if you look into things personally instead of being content always to take other people's words for it, you can then speak with authority and with confidence. So, when situations arise or problems present themselves, look into them personally.

General Robert E. Wood, who was for many years the guiding force behind Sears Roebuck and Co., gave me an example of the usefulness of personal reconnaissance. During World War II he was sent around the world by the head of the Air Force to find out about the state of aircraft parts supply. When he'd land at a remote aircraft supply depot in, say, the South Pacific, he'd find that a reception committee had the red carpet out for him and his party to give him the VIP treatment. But he'd sneak out of another exit of the transport plane and go by himself into the warehouses and begin looking through the inventory record cards to see when items had been ordered. Then he'd ask the warehouse people--those people really handling things--"Why did you order such and such a quantity when this card shows that only so many were needed?" Only then would he talk to the officers in charge. That's personal reconnaissance!

Each of you can probably think of cases where your judgment or that of friends was faulty because you took things other people said for granted and didn't look into them yourself.

Here's another adage: "It's not the facts that are so important--what's important is the significance of the facts." As a rule accountants don't make good heads of businesses: they know all the figures, but they don't know WHAT TO DO WITH THEM. So take a look at the facts before you and ask yourself, "What do they mean?" I have found this very helpful.

Some people rely on another saying: "Security lies in taking risks." They mean prudent risks, of course. I don't completely believe in this, but the germ of truth is in it. Back in New England in the days when I was brought up, a man who had acquired wealth might very easily put in his will: "Don't ever sell any of my New York, New Haven and Hartford Railroad stock"--none, ever! In those days this was a gilt-edged investment. But the heirs who followed his instructions eventually lost it all! They would better have taken a prudent risk and sell it and put the proceeds into another stock more suitable to the times!

In my own life I took a big risk when I left the vice-presidency of Sears in Chicago to accept the offer to become the first dean of the Sloan School of Management at MIT. For a fuller, more meaningful life, I took that risk. If for any reason I'd failed at MIT, no one would have remembered what I'd done for Sears or for Chicago. All they'd remember would be my failure at MIT. Thus you can see that there can be security in prudent risks.

My Grandfather Pennell (he'd be your great-great-grandfather) lived to be the sage of Saccarappa, Maine (it later became Westbrook, where I was born). He was a successful storekeeper and a power in the community. Toward the end of his life he became president of a local bank. He didn't know much about banking, but in those simple days the community wanted as head of its bank a symbol of integrity and sound judgment. He handed down several sayings that have been helpful to me.

One of them was, "Little ships can't go far from shore." But coupled with that is another: "Nothing ventured, nothing gained." You have to measure your capacity and have the courage to "go as far from shore" as you think you can.

He was also fond of saying: "Money ain't worth that!" when a plan of action or an investment was to his mind questionable.

A saying that comes from the Middle East is: "As you lengthen your tent poles, you must drive your tent pins deeper." In that part of the world when people lived in tents in the dessert, as tent-poles were raised to get more air in the tent the risk was run that a stormy gust of wind would take the whole tent down, unless the pins that held the tent ropes were driven further into the sand.

This saying has many applications: in financial matters the temptation may be to take a risk in what appears to be a promising investment, but unless you are prepared to lose everything you have you'd better have a certain proportion of your possessions in really sound securities like land or bonds or gold. So--as you lengthen your tent poles--taking more chances--it's well to see to it that your basic principal is well protected.

When I was a boy the schools taught English far differently than they do now. One thing the students had to do was to "parse" sentences. Now, frankly, I haven't the faintest idea now what one did to parse a sentence but I do remember one of the sentences we had to parse. It was, "Learning makes a man fit company for himself." The more you learn about the past, or the more you can become familiar with what great writers have created, or the more you can learn about how things work--the way the world goes 'round--the more you'll find that you can be comfortable alone.

"On climbing the ladder of life one doesn't get dizzy if he looks up the ladder." It's looking back to see how far you've come that makes you dizzy!

I've spent most of my life in management as "Boss-man", so to speak. One of the greatest maxims in my experience is this: "Within the policy established, decisions should be made at the lowest point that all pertinent facts are available."

Here's an example: When Montgomery Ward started their retail stores, they had the very good notion that for efficiency's sake the stores should be standardized. This was efficient all right--the stores were all put in alike and that saved money--but the

central management--the top guys in Chicago--didn't know what the people in each community in different parts of the country wanted. It would have been much better if the determination of the size of the store, and what goods should be stocked had been left right in the community where the most about local needs was known. While it is necessary to have a single broad policy--a framework within which the organization can work--it's also essential to realize that this is a generalization which must be adjusted to local needs. So: "Decisions should be made no higher up than the place where all the pertinent facts assemble."

This brings up a point I'd like to underscore. It's important for young people to discover the purpose of a "high command" in any organization. A well-organized company or any other group with a common purpose, must have fixed objectives, a set of policies under which to operate and a means of seeing to it that those objectives (their goal) are achieved using the best acceptable means (their policies) to accomplish them. This is why there is a "chain of command" and why we talk about "levels of decision". If you know the objectives of the high command and follow them no matter where you are placed in the chain, you can carry out your particular mission in conformity with the purpose of the whole organization. A good way of thinking, when you have decisions to make and don't know the answer, try to think what the Boss-man would do and then do it. You'll be right more than half the time...

"Boss" Kettering--one of the great leaders of General Motors--was a keen advocate of research. I found it useful to adopt a saying of his: "Research is finding out what you can do when you can't do what you are doing now." That's a good statement of the objectives of research. Find out what you can do when there seems to be no way to accomplish your purpose. This applies to every phase of life--looking ahead--seeing what's possible--adapting known facts to new situations, or, even, discovering new facts.

Another axion: "Make a profit today--but do nothing today to prevent making a profit tomorrow." It's important not to let the immediate objective lead you to a wrong decision that will stand in the way of progress in the future. Impulsiveness can be dangerous. Take a good hard look before you leap!

If you have a mathematical background you'll understand "It isn't so much where you are along the curve of progress as is the  $dx/dt$  at that point." This simply means that the rate of change from one point to another is important--not only how fast or how slow--but in which direction.

I don't ask you to accept all or any of these sayings. But all of us need "stars to steer by" and I urge each of you to think about your very own values, some of which can be reduced to compact phrases or sayings. I thought if I told you grandchildren about some of the ideas that had been of real value to me now that I have reached the venerable age of 85, you might get a glimmer of your grandfather that was new to you. In addition, I hope that some of these insights will be helpful to all of you in your future life in an increasingly complex world.

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Dear George,

I hope you find this material useful. Will let you know if I find anything else or have additional recollections.

Best regards,

Jonathan Floe

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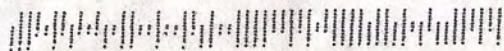
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