

# GM's retiring president took a lot of risks

Only Royal Dutch Shell made more money than General Motors last year, and only because they sold off a chunk of real estate for a one-time gain.

That's something GM Chairman Roger Smith points to with some pride, even in the company of disgruntled journalists who have been singing publicly and privately that the bean counters have ruined the company.

"Now for the first time in history GM has two bondable engineers as chairman and president as Hubert Stempel and Lloyd Reuss take over their respective jobs as of Aug. 1, when Smith steps down after nine years running the world's largest industrial corporation.

IT'S AS GOOD a chance as any to lay to rest that tired cliché that ev-

erything would be OK if only the car guys ran things. Instead of the financial types. Bean counters have both buried and resurrected car companies, and engineers have done about as well.

In fact, the tendency is for back-ground to merge at the top, something like old married couples who begin to resemble each other, as the stress of the job molds the man who holds it.

Smith, in fact, despite his background in GM finance, seemed to harbor more of a fascination with organization and its abstract effect upon business strategy than either cars or money.

I DON'T pretend to understand why someone whose underlying goal was to shake up the system ever ended up in a job that had been mainly a



auto talk  
**Dan McCosh**

custodian of a corporate culture and institutional money for three decades, but Smith never seemed to question GM's fundamental ability to change its ways with a little prodding.

It's also curious how the criticisms Smith first raised himself — that GM was hidebound, slow to adapt, slow to bring technology to market and top-heavy with uninvolved management — ended up the problems he was most closely identified with.

deeply at odds with Smith's theory of laid-back financial control.

In short order, the new breed of joint partners, first at IBH Holding, then at EDS, either landed in jail or took on the colors of a corporate raider instead of becoming the fleshy partner Smith had hoped for.

Ultimately, however, after the dust settled, it began to work. The quiet success of Roger Penske running Detroit Diesel after borrowing and buying the moribund division is the model of what was supposed to happen.

THE BEST case for Roger Smith was the presentation of the Saturn Project, as wild a commitment of corporate money anyone is likely to see in the auto business.

The public awkwardness was there, as was the almost dreamy vision of the future posed against a sharp implicit criticism of the old guard of the GM system. And not incidentally, an almost naive underestimation of the capabilities of the Japanese he was attempting to compete with.

All this may not mean much to a guy sitting waiting for an estimate on his broken transmission. Smith's regime at times was, indeed, rife with misfits and even outright failures. He may well have lost some ground in the present with his eye on the future.

But that's the risk of change and the willingness to take that risk was the last thing anybody expected from a guy who worked his way up from accounting.

## datebook

● **Financial planning**  
Thursday, April 5 - Prudential Bache Looks at the 90s begins at 7 p.m. in West Bloomfield Free Information Pam Twasko, 737-8444. Sponsor: Prudential Bache Securities.

● **Low tax investing**  
Thursday, April 5 - Free seminar on tax free bonds and annuities begins at 7 p.m. in Rochester Information Jack Churilla, 656-4328. Sponsor: Merrill Lynch.

● **Motivation**  
Saturday, April 7 - Motivation in Motown II motivational seminar/celebration featuring singing group Sha Na Na at Ford Auditorium in Detroit Information: Judy Spillman, 353-4400. Tickets: Ticketmaster outlets. Sponsor: Ralph Nichols Corp. (world's largest Dale Carnegie Course licensee).

● **Sell new houses**  
Monday, April 9 - Sell Every thing but the House seminar begins at 9:30 a.m. in Bloomfield Hills. Non-member fee: \$15. Information: 737-4577. Sponsor: Builders Association of Southeastern Michigan.

● **Birmingham chamber**  
Tuesday, April 10 - Birmingham-Bloomfield Chamber of Commerce meets at 11:30 a.m. in Bloomfield Hills. Non-member fee: \$23. Information: 644-1700.

● **Farmington women**  
Wednesday, April 11 - Farmington Area Professional Women's Network meets 5-7 p.m. in Farmington Hills. Non-member fee: \$7. Information: 473-2299.

● **Business communicators**  
Wednesday, April 11 - International Association of Business Communicators meets in Detroit. Information: Nancy Skidmore, 546-5490.

● **Telephone sales**  
Wednesday, April 11 - Seminar on improving telephone sales techniques 7:30-10 a.m. in Troy. Non-member fee: \$25. Information: 737-4477. Sponsor: Builders Association of Southeastern Michigan.

● **Venture group**  
Friday, April 13 - Southeastern Michigan Venture Group meets at 8 a.m. in Troy. Non-member fee: \$25. Information: 689-8282 Ext. 260.

● **Franchising seminar**  
Tuesday, April 17 - "Franchising Is It Right for You?" runs 7-9 p.m. in Rochester Hills. Information: Lisa Maggard, 1-614-864-0292. Sponsor: The Ink Well of America Inc.

● **Manufacturing management**  
Wednesday, April 18 - Free information about collegiate production and manufacturing management program 6:30-7:30 p.m. near Rochester. Information: 370-3120. Sponsor: Oakland University.

● **Purchasing managers**  
Thursday, April 19 - Purchasing Management Association of Detroit Inc. meets at 5 p.m. in Troy. Information: 733-3737.

● **Women business owners**  
Thursday, April 19 - "What You Don't Know Can Hurt You" presented at 6 p.m. in Detroit. Non-member fee: \$30. Information: Martha Kanner, 851-6270. Sponsor: National Association of Women Business Owners.

● **Graduate record exam**  
Saturdays, April 21 through May 19 -- GRE preparation workshop 9 a.m. to 12:30 p.m. near Rochester. Fee: \$125. Information: 370-3120. Sponsor: Oakland University.

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