

CEO develops lasting career at Polaroid Booth on LBOs:

Starts out in salvage operation

By Tom Henderson
staff writer

It's hardly unusual for CEOs to be products of the fast track. For most, that's just a metaphor. But it has a literal application for I. MacAllister Booth, chief executive officer and president of the Polaroid Corp.

Booth ran high and low hurdles for the old Baldwin High School track team in 1949, the year the boys from Birmingham won the state Class B state championships. Booth was third at the state meet in the high hurdles, and rounded out his athletic career as a forward on the basketball team and an end in football.

After graduating from Baldwin (which was at Maple and Barnum and which has since been torn down), Booth was off to engineering school at Cornell and the metaphorical fast track of business.

"I always wanted to be in manufacturing," said Booth, whose father, Charles, was the long-time controller at Fisher Body.

Booth and his corporation made headlines recently in winning a costly, nine-month takeover battle against a raider, Shamrock Holdings Inc., the investment arm of the Roy Disney family. (See related story.)

AFTER A TWO-YEAR hitch in the Air Force, Booth resumed his education at Cornell, receiving his MBA in 1958 and then going to work for Polaroid, where his career developed nicely after a slow start.

Booth started with the title of supervisor in film manufacturing.

"But they didn't trust me to do that,"

Instead, he helped run an internal salvage operation. Over the years,

he has been an engineer, general supervisor, assistant department manager, evaluation manager, project manager, plant manager, divisional vice president, assistant vice president — onward and upward along the corporate ladder until he was named president and chief operating officer in 1983 and president and chief executive officer in 1986.

"I don't think I felt wedded to Polaroid, but I didn't think I'd be here two years and leave either," Booth said. "I took a simplistic view. I was here to work and I'd cross every bridge along the way. I just sort of stayed on and I've been very happy."

Which isn't to say he didn't have big dreams when he arrived at Polaroid. Even as a neophyte learning how to salvage film, the thought of eventually being CEO wouldn't have seemed strange or impossible.

"I had those kinds of ambitions," Booth said. "I didn't come to the company saying, 'By gosh, I'm going to be CEO.' But on the other hand, if somebody had asked — and they did — I'd have told them I wanted to be CEO some day. I wasn't lacking in the ego department."

BOOTH IS GENERALLY known as Mac to friends and peers. The "B" in his name stands for Israel, which he doesn't often use and which he admits has a story behind its attachment to the front end of "MacAllister."

"There has to be," he said with a laugh in an interview from his office Cambridge, Mass. "You just don't pick names like that out of the blue."

His grandfather told him he got the names "Israel" and "MacAllister" because those were the surnames of old family friends.

"But my grandfather was a joker, so I never knew whether to believe him or not," Booth said.

Was he kidded much as a youngster for his unusual first name?

"I never really liked it, and not many people knew it was my name. And I never passed it on to any of my kids," he said, laughing again.

The children, products of a 33-year marriage to Frances, are David



I. MacAllister Booth: "I took a simplistic view. I was here to work and I'd cross every bridge along the way."

and Thomas, who each have their own MBAs. Molly, who is in marketing with IBM, and Charlotte, who is studying to be a nurse.

Booth's mother, Charlotte, a lively widow of 92, maintains her own place in Troy.

"She's a fantastic woman. She still drives. She lives by her own rules. She's a great lady," Booth said.

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staff writer

Polaroid fought off its corporate raider — Shamrock Holdings Inc., the investment arm of the Roy Disney family — but victory or not, I. MacAllister Booth, Polaroid's chief executive officer, says something must be done to curb the appetites of corporate raiders.

Booth believes that the rules involving corporate takeover must be changed, that highly leveraged buyouts consume too much corporate energy and money, and cut drastically into the funds available to keep American business competitive in the world market place.

He said that instead of being in business to sell good products, too many businesses seem to be in the business of buying and selling other businesses.

"I'm very concerned about U.S. competitiveness," said Booth. "Usually it (buyouts and attempted takeovers) means a serious reduction in research expenditures, and I worry that that's going to have a serious impact in this country. The Japanese spend a great deal on research and development."

"It's treating corporations as commodities, and I believe corporations have souls and values and aren't just a commodity that can be traded," said Booth.

Late in March, following an unfavorable court decision in Delaware, Shamrock announced it was abandoning its costly and bitter nine-month battle to acquire Polaroid.

BOOTH RECOMMENDED two changes in current rules involving attempted takeovers:

• Raiders should have to declare their intentions before they reach the current declaration plateau of having acquired 5 percent of stock. Booth said a raider who is accumulating stock knows he will make

money regardless of whether his takeover is successful because when the public finds out there is a takeover in progress, the value of the stock jumps.

In effect, said Booth, a would-be raider is unfairly taking advantage of not having to go public until getting 5 percent of the stock. He knows the stock will go up, but the general public doesn't. "That's trading on inside information if you're a corporation," said Booth. "The playing field isn't level. . . . The profits in that period of time need to be looked at."

• Require companies to have their financing in place if they want to attempt a leveraged buyout. "The way it is now, you're just playing with Monopoly money," said Booth. Having to place interest on the financing in place would prevent half-hearted takeover bids done by raiders who are just trying to pump up stock. And it would require them to make more of a financial commitment for serious takeover offers.

BOOTH ADMITTED the takeover cloud had a silver lining. The company tightened things up by reducing its work force by 20 percent, mostly through voluntary early retirements.

"We've come out of it a stronger company, and we didn't have to do anything because of it to inhibit the future of the company," said Booth. "We haven't damaged the company, which is quite unique in these situations."

And the takeover bid boosted company morale. "The company pulled together like it never had in its history," said Booth.

The day the victory over Shamrock was announced, employees began an impromptu celebration in the plaza out front of company headquarters. Up to 1,500 gathered, balloons were strung up, music was played and executives made a few speeches of thanks to cheering workers.

Strip malls capitalize on shoppers' lack of time

By Peggy Aulino
staff writer

Coming soon to a strip mall near you: A video rental store, frozen yogurt shop, dry cleaner and florist. They are coming, that is, if you don't already have a cluster of stores down the road where you can rent movies, eat frozen yogurt, drop off suits and buy flowers.

Then again, even if there is such a place close by, developers seem to think another one will be that much more convenient.

Why open a store on one corner when someone is selling the same sort of goods or services a mile down the street?

"It's reflective of the need for more convenience and people having less time today," said Phil Cody, vice president of Lakritz-Weber and Co., a Southfield real estate firm that specializes in shopping centers.

"If you can drive a half mile versus a mile from your house, you will do it," Cody said. "People just don't have the time."

Officials in Oakland County municipalities say there isn't much commercial space left in their cities and townships, but the available land is sprouting malls both big and small.

THERE ARE TWO major projects currently under way: Hampton

Village Center at Rochester and Auburn in Rochester Hills and West River Center on Grand River Drive in Farmington Hills. Both projects, which are months away from grand openings, will feature Target stores and several other major retailers.

More common is the strip mall, which typically offers a few small retail outlets that boast quick and easy access. And one developer said video stores, florists and the like are "almost automatic" in such centers.

"They are designed to service those residents that live in that immediate area," said Marshall Klein, Klein and Associates of Farmington Hills is handling the leasing of two new strip malls in the Rochester Hills and Troy area.

In Rochester Hills, Gala Square is complete and tenants are being sought. It is near the southeast corner of Rochester Road and Auburn, across from the 90-acre parcel on which Hampton Village Center will sit.

Klein said the small mall offers some things a retailer couldn't get in the larger complex, including "more accessibility, less congestion and better visibility." And a business owner could expect to pay about half the rent in a strip mall than would be required in a bigger operation.

KLEIN'S OTHER project, Troy North Center at South Boulevard and

Crooks, is one of three new strip malls in Troy. The others are at Livernois and Square Lake Road, which has a pizza parlor and dry cleaner, and on Rochester Road south of Long Lake, a portion of which has been leased to a television sales and service store, according to Edward Balok, the broker at X-Cell Realty who is in charge of the property. Balok said he is negotiating with a "very well-known restaurant" for a spot in the center.

Having three new strip malls at one time is "about typical" for Troy, but that can't last forever, said Jerry VandenBussche, the city's building inspector.

"Most of the business zoning has pretty well been taken up," VandenBussche said. And while most existing strip malls seem to have one or two vacancies, they always seem to attract tenants, he said.

"Everything along Rochester Road seems to be an ideal location," said VandenBussche. "You would think you could get too many video stores or too many auto parts stores, but it seems to be popular."

Patricia Goodwin, assistant planner for neighboring Rochester Hills, said that city has no shortage of those types of stores.

"It's pretty pat now, what goes into the strip center," said Goodwin. "What we are not getting are re-

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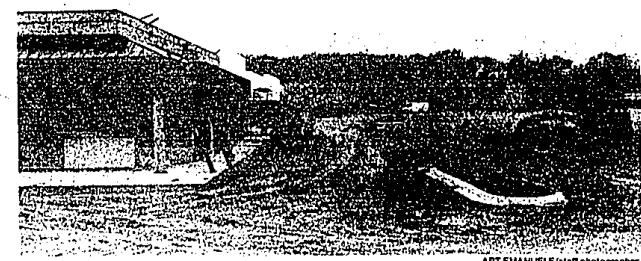
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Tenants of strip mall center to shoppers short on time and often are able to survive on business generated at the strip center regardless of similar shops nearby.