



“This is No Small Task”

The remarks of William Davidson (1922–2009) in dedicating the William Davidson Institute at the University of Michigan, on April 23, 1992. At that time, Davidson led Guardian Industries Corporation, an international manufacturer of glass products headquartered in Auburn Hills, Michigan as Chairman, President and CEO.

When I first became involved as a businessman in centralized economies, such as Hungary and India, it was immediately apparent that many economic decision-makers were severely handicapped by their lack of understanding of basic free-market business principles. Principles which form the foundation of economic success in the West, such as accounting, finance, business organization and marketing, were largely lacking. While the desire to do business was often there, the tools of understanding simply were not.

For example, when Guardian first went to Hungary—more than six years ago—it was considered the most progressive and market-oriented of the communist regimes. Yet we found it virtually impossible to negotiate with our Hungarian counterparts until we had repeatedly reviewed with them the fundamental principles of free-market business—an educational process we then had to repeat with each successive government.

After we concluded our joint venture agreement, we moved our entire Hungarian workforce to our facilities in Western Europe and the U.S. for intensive training in the way we do business. Our purpose was to educate all of them in our system of individual accountability and responsibility. Under the communist system, no one individual was ever held accountable or responsible. For both the manager and the laborer, the idea of taking personal responsibility for his own performance as judged by the customer was an alien concept.

Yet the desire to learn how to be competitive was certainly there, and our Hungarian workforce rose eagerly to the challenge. They absorbed everything we taught them and seized the opportunity to take responsibility for their own operations. Today, it is amazing to see what our all-Hungarian workforce has accomplished. From production to sales, our plant in Orosháza is one of the best-run operations in Guardian’s organization—with high yields, high quality, high productivity and high morale.

I learned from our experience in Hungary that there is a great need for knowledge—not just in Eastern Europe, but on nearly every continent where today there are countries struggling to make the transition from a command to a market economy with minimal social upheaval. But instead of an ad hoc, investor-by-investor approach to education, a broad-based plan is required to address the immediate needs in these countries.

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With the swift and total collapse of the communist system, I realized that the problem far transcends the interests of one company or one businessman. We face today a world in disorder, and before us rises the challenge of building a new world order more quickly than at any time in mankind's history—and with infinitely more at stake. The book is now closed on a period of intense, bi-polar hostility that has defined our lives for more than four decades, and is now for us to determine what will fill the next pages of history. We stand up now at the dawn of a new era—an opportunity unprecedented in history. What we do today—by act or omission—will shape the world for generations to come. At no other time has the necessity of success and the consequence of failure been so great.

We know all too well the social upheaval that is caused by economic disorder. We have little choice but to seize this opportunity and to meet the challenge, or risk the prospect of these emerging nations sliding into social and economic chaos. We all have a responsibility to contribute to this great effort. This is our future, not just the future of far-away lands. How we respond to this challenge will determine whether our children and our grandchildren will continue to enjoy the peace and prosperity we have known.

Today, the University of Michigan is stepping up to this great challenge and I am proud to be a part of its effort. As a graduate of the Business School and a current member of the Visiting Committee, I know that the talent, the energy, and the vision are here to meet the challenge. The Institute's mission is to equip economic decision-makers in these emerging countries with the tools of commercial success. I am very enthusiastic about the program Dean White and his colleagues have designed to accomplish this, and I am confident in the ability of the University and the Business School to make the program a success.

In a sense we are not just educators, administrators, or businessmen; we are co-workers for the cause of economic and social freedom. We must do all in our power to see that those countries that have already taken that difficult first step forward will continue along the path of progress without faltering. This is no small task, but together we can make a difference. Together we can set up an example for others to follow.

It has been a pleasure working with President Duderstadt, Provost Whitaker, Dean White and the others here at the University and Business School to launch this mission. I look forward to our continued work together.

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