

Transcription of Interview with Mr. Kenneth Ackerman

STOCK: Good afternoon. My name is James Stock, the Frank Harvey Endowed Professor of Marketing at the University of South Florida. We are here today to conduct an interview with one of the luminaries in the discipline of warehousing, logistics and supply chain management. The purposes of this interview are several. First and perhaps foremost is to get to know the personal side of one of the leading logistics and supply chain practitioners; a person who has had significant influence on their profession. We often read the person's books and journal articles, listen to their presentations at academic and/or professional meetings, and sometimes even have individual discussions with them at various events and venues. However, we rarely get to "know" the person beyond the professional aspects of their careers.

In the field of literature and art, researchers often consider the "what, why, how, who, and when" of a particular book or painting, short story, poem and so on. They speculate on what might have motivated the writer or artist to write the book or paint the painting, to determine the message or story of the text or art, and the writer's or artist's perception of the contributions of their work. In the same way, through this and other interviews that will be conducted of leading business scholars and practitioners, as the late Paul Harvey so often expressed, we will attempt to get "the rest of the story!"

These videotaped interviews will hopefully serve as supporting material for various university courses where the various works of these academicians and practitioners may be discussed. They will be of significant impact in courses where history and theory are being examined, since these individuals contributed extensively to that history and theory.

Each interview is based on a set of structured questions using an interview guide. Of course, the interviewee's responses are spontaneous and they may lead into other questions related to those responses. However, the general format for this and other interviews that will be conducted in the future will be similar.

It is hoped that audiences who view these interviews will get a broader and richer view of the people and events that have shaped their disciplines. We hope that you'll learn from what will be said and discussed during these interviews and be able to more fully appreciate and understand the significant contributions made by these luminaries in the field.

Let's begin by introducing our distinguished guest.

STOCK: Kenneth B. Ackerman is presently President of the Ackerman Company, a management advisory service specializing in warehousing and logistics consulting, located in Columbus, Ohio. Ken Ackerman's name is synonymous with the discipline of warehousing and he has been called by some, "the warehousing guru" and by others, "Mister Warehousing."

Before entering the consulting field, Ken was CEO of Distribution Centers, Inc., a highly successful public warehousing company that is now part of Exel Logistics.

Ken Graduated from Princeton University with a B.A. (Bachelor of Arts) degree and completed the MBA degree at Harvard University. He then enlisted in the US Army, where he served as a buyer at the Walter Reed Medical Facility. At the time, Ken's father ran a small warehousing and trucking company and Ken joined him in the business once his two-year military commitment was completed.

He has spent his entire career in the warehousing and logistics profession. He has written extensively on the subject. He is editor and publisher of *Warehousing Forum*, a monthly subscription newsletter. He has also written several books used by warehousing and logistics professionals, including *Auditing Warehouse Performance*, *Warehousing Tips*, *Warehousing Profitably*, and *Fundamentals of Supply Chain Management* (co-authored with Art Van Bodegraven). As a practitioner, Ken has taken time out of his very busy schedule to write numerous articles on the topics of warehousing, logistics and supply chain management, which have appeared in the *Harvard Business Review*, *New York Times*, and many logistics and supply chain professional journals and magazines.

Ken has been very active in a number of professional organizations. He was a founding member of the Warehousing Education and Research Council (WERC) in 1977, and was heavily involved in the National Council of Physical Distribution Management (NCPDM), which later became the Council of Logistics Management (CLM), and is now called the Council of Supply Chain Management Professionals (CSCMP). Ken was honored by both of these organizations. WERC honored Ken with lifetime membership in the organization in 2002. He received the

Distinguished Service Award from CSCMP for his career achievements and was President of that organization. He also received the Distinguished Service and Leadership Award from the International Warehouse Logistics Association (IWLA) in 1999. In recognition of his professional achievements and leadership, Ken has been recognized with an honorary life membership in the Ohio Warehousemen's Association. He has also been a former director of the American Warehouse Association. In civic activities, Ken has been Chapter Chairman for the Young Presidents Organization (YPO), former officer of Columbus Association for the Performing Arts, and past president of Opera Columbus. He currently serves as a chair for Vistage International, a group that provides counseling and interaction with chief executives in many different fields.

Ken is very active both domestically and internationally in lecturing, teaching and consulting. He is fluent in Spanish, which enables him to lecture and consult in that language. His many clients include firms such as General Electric, Nissan Corporation, Maman Cargo (Israel), Trans Warrants (Chile), Omtra S.R.L. (Italy), and many other international companies.

Throughout his career, Ken has been an educator, leader and developer of talent in the profession. His 50+ years in the profession have been characterized as one of giving to others. It is our distinct pleasure to get to know the personal side of this man so that we can more fully appreciate his significant professional contributions and achievements.

Early Childhood

STOCK: So Ken, welcome! We are glad to have you with us today.

ACKERMAN: Nice to be here.

STOCK: So let's start with some basic questions about your life. When and where were you born?

ACKERMAN: Well back early in the last century in Cleveland, Ohio.

STOCK: I'm sure it wasn't in the last century. Well, that is the last century now. Was there anything in your childhood that shaped your present personality that you have?

ACKERMAN: Well sure, I grew up in a small town in Northwestern Ohio and spent much of my childhood trying to get out of that town. I think my high school years were very much shaped by four years at a wonderful military school that I remain very close to—Culver in Indiana—and I remain something of an ardent militarist in that I think that military training is very good for people; so that perhaps changed my life.

STOCK: Interesting. I've visited that Culver School having been in South Bend at the University of Notre Dame for a while.

ACKERMAN: Yes, it is just down the road.

STOCK: Yes. In terms of your personality, is there a particular personality trait that perhaps drove you to succeed as well as you have done in your profession?

ACKERMAN: Well I never really wanted to be in the family business; I went into it reluctantly. I was determined to go beyond just being the SOB (son of boss) and to paddle my own canoe. I was lucky to have a father who was very happy to step aside and let me make all kinds of mistakes, but as I developed in independence and confidence in running a company; it was a great start. And starting when I look back on it, starting in the family business turned out to be a pretty good thing to do.

STOCK: Interesting. Do you think that you had a personality trait that perhaps may have held you back or impeded you in any way?

ACKERMAN: Oh, probably as a kid and maybe as a young adult, people thought I talked too much and didn't listen enough. And I think I talked too much and didn't listen enough; but no, I don't think there were major impediments.

STOCK: Do you have any specific memories that you have never forgotten from your childhood?

ACKERMAN: Well, as I said, I wanted to get out of the small town I grew up in and wanted to go someplace bigger. I wanted to be in a company that was growing and to be able to oversee change in growth and I think I had that ambition while I was pretty young.

STOCK: As you were growing up; how large was that town you were referring to as small?

ACKERMAN: 50,000; smaller today than it was then.

STOCK: How would your parents describe you as a child?

ACKERMAN: Probably as a kid that talked too much. Thought I was pretty smart; smarter than he was.

STOCK: Any other comments if they were here today and I could ask them that question? Anything else they would say about you?

ACKERMAN: No, I'm not sure, probably amazed that I did not get into any more trouble than I did.

Grade School/High School

STOCK: Now, think of your growing up in this small town. Let's talk a little bit about your education in secondary school. Where did you attend school, both from first grade on through high school?

ACKERMAN: Well, I was in public school in Lima, Ohio, up until the eighth grade. I went to Culver in the ninth grade and spent four years there. Actually went to camp at Culver earlier than that, so I had a taste of the school as a camper in the summer time which made me want to go there in the winter time. I learned at the dining room table that I needed to get out of town because the public school system was considered to be among the worst in Ohio at that time, so I was strongly motivated to go away to school. Most of my friends went away to school. Some of them went to Western Reserve at Hudson, Ohio. Those were the two closest boarding schools near the town I lived in. So it was wonderful

to go away, and as I look back on it, was a very fortunate experience that I was able to do that.

STOCK: Now I assume both military academies and schools you were there full time and home only on vacations and holidays?

ACKERMAN: **That's right.**

STOCK: Did you play on any sports teams while you were in school?

ACKERMAN: **That was one of my great frustrations, Jim. I didn't realize it until much later that I was cursed with no hand-to-eye coordination; could never play any ball game. I couldn't even play croquet. Even the slow ball I couldn't handle, so what I did do was run cross-country and I was in the horse unit called the black horse troop at Culver. I loved riding and still do. So I guess horses and running were the two things that kept me busy.**

STOCK: What was your favorite sport, either as a spectator or participant?

ACKERMAN: **Well as a participant, I loved running. I still pace walk. I used to jog until my knee's started to act up. I ran cross country at Culver and I ran cross country in college. As a spectator sport, I think football was always been it.**

STOCK: Well you have a good area of football here in Columbus for sure. Were you involved in any kind of school clubs or organizations?

ACKERMAN: **Well, I'm hazy about my school years about clubs. Culver wasn't a big club kind of school. I was interested in dramatics and got into a little bit of that. When I went to college, I went to a non-fraternity school, so we had eating clubs and I enjoyed that life tremendously. The whole atmosphere of eating clubs I thought, was much better than fraternities.**

STOCK: Now, were there any honor societies, year book, or those kind of things, or student government that you were involved in?

ACKERMAN: I had a leadership rank at Culver, so I guess I was a platoon leader or something like that and was in the Cum Laude Society, which is an honor. I'm trying to think about clubs; I think I've pretty well covered it.

STOCK: Was there was a teacher; somewhere from first grade through twelve, and it could be more than one, that had a significant influence on you?

ACKERMAN: Yes, at Culver there was an English teacher and I was part of an honors class in English that did advanced work and did a lot of writing and that teacher remains in my memory as a guy who really inspired me and gave me a love of reading and writing.

STOCK: And how did it do that? How did it inspire you?

ACKERMAN: I think with mirrors, not sure. I only know that I was not the only one. He was one of these guys who could just absolutely amaze his students. I think most of his students would have given him a grade as the best teacher they ever had and he was a great discussion leader. Our classes were not lectures; they were discussions and it was fun to be in those classes.

STOCK: Do you think he might have influenced you (you do a lot of lectures and discussions)?

ACKERMAN: Absolutely did.

STOCK: Now, how would you describe yourself as a student, both socially and academically?

ACKERMAN: Well I got along alright academically; the higher I went, the less distinguished I was. By the time I was in graduate school, the chance to be in the Boston neighborhood with all the girls who'd been lacking at both Princeton and Culver interfered with my academic performance to some extent, but I did manage to get the degree. At Princeton, at the time I attended, being a single sex school, it was described by one of my friends as the largest non-sectarian monastery in America.

STOCK: Interesting. I hadn't heard that so it's new information to me.

ACKERMAN: Well, it is co-ed now; I can say that.

STOCK: So you mentioned cross-country in college and high school as a sport; were there any other activities in college that you were involved in?

ACKERMAN: I got involved a little bit in dramatics in college. I got this great interest in Latin America there. My major was Latin American Studies. I managed to wrangle a fellowship to go down to Mexico and write about the film industry in Mexico. Liberal arts undergrads in Princeton had to write a senior thesis of at least 40,000 words and my thesis was about the movies of Mexico. It was a lot of fun to do that.

STOCK: And that's where you learned Spanish and have kept that up since?

ACKERMAN: Yes, I got fairly fluent in my school years. Once with a student group that places each youngster with a family; so you live with a family in a small town, and when I came home from that I was almost totally fluent and I never quite lost it.

STOCK: Did you earn any honors in college?

ACKERMAN: Not that I can recall. I stayed in and graduated and got into the grad school of my choice though.

STOCK: That's the most important. As you were growing up, and this could be in secondary school or college, did you have any person that was what you might call a teen idol? It could be a sports figure, government, political figure, or movie star?

ACKERMAN: It might surprise you but the picture on my desk (teenage kids have a pin-up picture) was a soprano with the metropolitan opera. I don't know, I've never heard of her in many years. She was a very pretty girl that was my pin-up picture.

STOCK: Have you ever met her?

ACKERMAN: Oh yes; I had met her.

STOCK: So it was an autographed photo?

ACKERMAN: Oh yes, indeed.

STOCK: It was the best kind to have. Did it have any influence on your career?

ACKERMAN: No, not really.

STOCK: Now, when you were a teenager, so this would have been during your secondary school years and maybe early in your college years, what would people find surprising about you that they might not know about you now?

ACKERMAN: I really don't know. I'm not sure how I surprise people. Maybe that I have a few more sides to me than some people would expect from a business guy. The language skills sometimes are a surprise. I'm never quite sure what surprises people, but just last week I had fun surprising somebody, because I went into a store to buy something that was all populated by Ukrainians and I wished them a good evening in Russian and watched the eyes go up. You know Russian? No. I said I know that much. But it was one of the languages I studied as an undergrad.

College (undergraduate and graduate)

STOCK: Interesting. Now in terms of going to Princeton, how were you able to go there? Did you get scholarships, or did your parents pay? Did you work? What combination?

ACKERMAN: No, my parents were able to do that. I wasn't on a scholarship. I felt lucky to be accepted. It was the place I wanted to go and I would have been disappointed if I hadn't made it. The year that I was accepted I think I was one of six or seven from Culver who went there, which was highly unusual to have that many from one school go there. But I was accepted, and it was a great experience to be there.

STOCK: And Princeton consistently rates in the top five colleges and universities in the US.

ACKERMAN: Well I will confess that it didn't with me by my senior year. Primarily because of what I joked about; it being the largest non sectarian monastery in the world. I felt isolated and was glad to leave.

STOCK: Did you live in dormitories, or off campus?

ACKERMAN: No, we lived in dorms.

STOCK: For the entire program?

ACKERMAN: Yes.

STOCK: Why did you decide to attend college? Or was that expected?

ACKERMAN: It was expected. My parents; my father never finished college; certainly expected me to be in college and so it never really was a topic of discussion. It was assumed I would do it.

STOCK: Where you as excited as they were to go?

ACKERMAN: Yes, I really was. Sure.

STOCK: Now were you the first generation of your family to receive a college degree?

ACKERMAN: No. My mother I think may have gotten a Masters or almost got a Masters and my father was a college dropout, but I think spent two or three years in college, so they may have been first; but I wasn't.

STOCK: So you mentioned your emphasis in college was primarily Latin American studies. Any other concentrations or minors that you took?

ACKERMAN: I studied two other languages; Russian and Italian; and that was just plain out of curiosity. There was a war on when I was in college and people don't realize it today, but in the beginning of the Korean war, it looked like World War III, and I think most of us were wondering first, if we would be able to finish, and second, when we finished, how soon would we go into the military, because there was a draft. So my decision to study Italian and Russian was a strategic decision. I didn't think that the military would have any interest at all in somebody that knew Spanish. There are millions of people in this country that know Spanish; not so many know Russian. So I quickly jumped into it and in fact, because it was too late to get into a university course, I started out with a tutor, which was a great experience; a Russian born lady whose father had been the imperial geographer to the Czar and she didn't know much English. She wanted me to

talk French which I did not know, so she said then I teach you Russian in Russian which is what she did.

STOCK: Very nice. With that emphasis on languages and Latin American studies, apart from the Spanish that you still use and utilize when you go to South America and other Spanish speaking areas, are there other things that you learned or acquired in college that you used in your profession?

ACKERMAN: Well, I've used all three of those languages. I did a consulting project in Moscow some years ago for an American-owned warehousing company. Now my Russian is much too rusty to carry on a decent conversation, but I can understand a lot. And of course, the clients were Americans, but they asked me to do a little workshop for the line supervisors with an interpreter, but when they talked among themselves I could pick up a little. You lose the ability to speak before you lose the ability to understand. As both a tourist and a worker in Russia, I'm not afraid to wander around everywhere if I can talk my way back and find out where I'm supposed to be, and I can read the signs and can read the alphabet.

STOCK: We mentioned earlier in your introduction that you've also done work in Italy. Do you still retain some level of fluency in Italian?

ACKERMAN: It comes out half Spanish and half Italian, but I can make myself understood.

STOCK: Now with your father in the warehousing distribution business that's probably most of where your influence came from to go into that career yourself, or were there others that may have influenced you?

ACKERMAN: I was fortunate in my school years to get summer jobs, first in Chicago with a trucking company (and that I think I was 19; nobody would have hired me, but my father was a friend of the head of this company and he took me in; I think as an act of friendship) but the one that I got on my own between my years in grad school was to work for Ryder back in the days when Jim Ryder was still there and that was a great experience. Both of them were great experiences. The first one in Chicago; that fellow was a Harvard

Business school grad and I think probably persuaded me that I should try to go to school there. Ryder was a vastly different environment and very much of a learning experience to be working in Florida for a fast growth company.

STOCK: And what kind of things do you think you learned in the Ryder experience that influenced you and kept on?

ACKERMAN: Well, at least at that time, and I've no idea where Ryder is today, I don't know anybody there now, I don't think. It was pretty turbulent I think because its fast growth people were coming and going as opposed to relative stability in Chicago. It was an unsettled environment. I spent about half of the summer in Miami and half of it in Tampa, so I saw different parts of the state of Florida, which is as you know very different from Ohio. So it was all just part of growing up. In both jobs I was just primarily doing sales work and I learned a lot about the truck leasing business, which was the part of the business that I was interested in and thought I might be getting into it. And, at that time, my father's business was more heavily involved in truck leasing than it was in warehousing.

Military Experience

STOCK: Now once you graduated from Princeton, did you go directly on to Harvard?

ACKERMAN: Yes.

STOCK: Was it after Harvard that your military experience occurred?

ACKERMAN: Yes, at that time I think it's fair to say that many people who were students wanted to remain students as long as possible. The minute they were no longer students, they would be in uniform.

STOCK: It was called the student deferment.

ACKERMAN: I don't remember what it was called, but all I know is I managed to stay in school right up through getting a masters degree.

STOCK: And so, did you enlist or were you drafted?

ACKERMAN: I enlisted in the reserves about 2 days before I was going to get drafted.

STOCK: And how did you get the assignment at Walter Reed?

ACKERMAN: I wish I knew. It was a wonderful assignment. I have some idea how it happened because the army at that time had what they called the scientific and professional personnel program where they would grab people who had certain advanced degrees and put them in skilled jobs where they could use their skills. One of my Harvard classmates with the rank of private first class was functioning as treasurer of Walter Reed. He did not have the title, but he did the work.

STOCK: While you were in Walter Reed, you were a buyer? What kinds of things did you buy?

ACKERMAN: I bought books and office supplies. I was a buyer at sort of the lowest level. I could not sign for the US; you had to be a contracting officer; so I worked for a contracting officer and I would get all the stuff together and hand it to her and she would sign. I did all the work, but I wasn't allowed to represent the US. And I was lucky to have a wonderful boss who wanted to be sure that I really learned what I was doing, instead of just doing it, and he said, you've got a lot of time on your hands, why don't you take all these manuals and go and read them and we are going to discuss them, because I want to be sure you know what you are doing. It was fun to work for a guy like that.

STOCK: So in those two years, what was your rank when you left?

ACKERMAN: Corporal; they called it Specialist Third Class or something.

STOCK: Did you form any long-lasting relationships in the military?

ACKERMAN: Yes, one; my wife.

STOCK: We'll get to her a little bit later in terms of your family. What was your fondest memory of the military?

ACKERMAN: Well, I think meeting my wife, easily.

STOCK: What was the most difficult aspect of being in the military?

ACKERMAN: It was a piece of cake. I didn't want to be there, but once I got there I had a wonderful time. My Culver training got me through the basic training really easily because I knew pretty much what to expect, so basic training I'd say wasn't fun, but there weren't any great surprises and the assignment was a very great and very pleasant surprise. I could have gone to Korea or one of those garden spots in the Far East.

STOCK: Well, thankfully if you were still involved in running it made the basic training much easier physically.

ACKERMAN: Yes, the interesting thing is I was in there I guess at age 23 with a bunch of teenagers who were five years younger than me, and because of that, possibly in better shape. But I was a trainee platoon leader; the job I'd got because I demonstrated that I knew the drill. And I figured I can't drop out; I'm at the head of the line. I've got to set the example so I was probably in better physical shape when I got out of basic training than I had ever been before, or will ever be again.

STOCK: Do you think that Culver experience helped you in the military; prepared you for the regimen?

ACKERMAN: No question it helped me. Absolutely.

STOCK: Do you consider your duty as having a positive, negative, or neutral impact in your profession?

ACKERMAN: Very positive, because I think that the military experience, which so few young people today get, is a laboratory for leadership, and you learn a great deal about leading people and getting people to follow you and communicating with them. I think the military is one of the greatest preparations for leadership that there is.

Career

STOCK: Very good. So in terms of once you finished your military (two years in Walter Reed), you went back to work for your father?

ACKERMAN: Yes.

STOCK: How long did you stay there before branching out and expanding?

ACKERMAN: Well, as I think I said before, I was sort of reluctant to go into a family business. When I went to Harvard business school and went through the interview process, they said, “why do you want to be here?” I said I want to be here so I have some options and not be sort of trapped into going into a family business, because I can’t do anything else. So I went into it hesitantly. I told my father that I absolutely would not be “junior” sitting in the next office. I had in Chicago seen the head guy come out and say “where is junior?” He had literally called him that. I said I don’t want it to be that way. So my father said well, we are opening in Columbus and that’s 90 miles away. Is that far enough away so I can’t yell at you? So I came down here because I was 90 miles away. Very quickly I felt fairly independent.

STOCK: How long did your father stay in the business after you started, following the military?

ACKERMAN: I’ve got to think about that. I started in the business in 1957 and my father retired about 20 years after that; a little less than 20 years after that. But he approached retirement maybe 12 years after that. We lost my mother in 1969. My father remarried a couple of years later to a lady who really wanted him to move to Florida and get away from the business, so he started backing away when he was much younger than he would have needed to because that is what he wanted to do.

STOCK: And so that business formed the basis for what you did for so many years before it was acquired by Exel.

ACKERMAN: Yes.

STOCK: Very good. Why did you stay in the profession for so long without changing? The company that your father started and that you took over essentially was yours until it was bought by Exel.

ACKERMAN: Not really, not exactly. The timeline is not quite like that. In the mid 1970's, you know less than 20 years into it, I came up with an idea that I didn't want to work in corporate America until retirement. And the dream I had was to get out of the business before my 50th birthday and get out of corporate life before my 50th birthday and either get into teaching or consulting. I had decided one of those two was something I wanted to do. And we had an outside board in the 1970's; I should say in the mid 1970's. In the timeframe of 1975 or 1976, I started talking to my board members and to my dad and to a few other people who I was close to and said, I want to get out of this. I want to change careers. One of our outside board members came to me and said I've got an idea that you never thought of and that is to sell all the real state and liquidate the company, which we did in 1980. The acquisition by Exel happened several years later than that, but I joined the consulting division of Coopers and Lybrand in October of 1980 and then had to separate myself completely from the warehouse business because there was potential conflict of interest. Coopers and Lybrand was the auditor to the company so I couldn't wear both hats; couldn't even if I wanted to.

STOCK: How did you get that desire to either consult or to teach? Where did that come from?

ACKERMAN: You know, I'm really not sure. The strongest desire was I didn't want to reach retirement age, come to the end of a career, and still be in a small business and be trying to figure out how to get out of it. And I had seen my father restless about wanting to get away and I see it so often today in business leaders who get into their sixties or seventies and they are trying to hang it up, and they can't figure out how to quit, how to get out. I said, if you are 50 or younger you can change careers easily. When you are much older than that, people will never believe you can change. You may believe you can, but nobody else will.

STOCK: When you think back to that 50+ years in distribution, warehousing and supply chain management, what do you consider to be your most significant accomplishment as a professional?

ACKERMAN: I think certainly in corporate life, it was to take a pretty tiny family managed business and by the time I left, it was a warehousing business that was in eight cities; I think in six different states. We went as far west as Texas, as far south as Georgia, and as far east as Maryland, and we had built a professionally managed company. It wasn't a family business anymore and I would add that when I got into it, it was 100% union and 10 years later, it was 100% union free. That was not an easy thing to do but we did it. I wouldn't want to go through those experiences again, but we did it. So we had a vastly different business by the time I left it than it was when I went into it.

STOCK: Do you think part of that was that your father was more conservative as a business person than you?

ACKERMAN: No, not at all. No, he was less conservative than I was.

STOCK: So why do you think you grew the business so significantly and he did not?

ACKERMAN: I don't think my dad really was driven to do it. There were a lot of things that happened. Our lawyer suggested to us that we get an outside board and my dad's reaction was I'll try that as long as we outnumber them. We have to have more inside directors than outside directors. The outside board included folks like Jim Heskett, who you have interviewed. [They] were a great influence on me; pushing me to grow the company; saying you know you could build a national company, you've got the right stuff to do it, so why haven't you done it yet? So I tried to do it and you know we went into other cities; we even went into other cities two or three times; with no customers, on pure speculation, putting up a warehouse, saying we will build it and they will come. By some miracle, we got away with that.

STOCK: So you are willing to take risks.

ACKERMAN: Less so now, than I was then. Yes, but I guess I've always been a reasonable risk taker.

STOCK: Now you mentioned after that long experience in the warehousing business that you wanted to go into consulting or education. Do you have regrets that you didn't make that decision earlier, and to perhaps go into education or consulting very early, as opposed to the business?

ACKERMAN: No, I think that I've been better at what I did because of what I did earlier. No regrets at all. I think that people who go into consulting; I'm not going to discuss education because I haven't been there and done that; right out of school knowing nothing, are dangerous. You know they know what questions to ask but they don't know how to answer them.

STOCK: So in terms of your profession as a business leader, warehousing consultant and now we would also include author, lecturer, those kinds of things, have you achieved most of what you wanted to do?

ACKERMAN: I think so. What you didn't mention is the thing I'm spending more time than anything else on is a group leader for Vistage International, which really involves business counseling. My group members I have, one in the logistics business of the 13 in my group, but the others are in a wide variety of businesses with a wide variety of problems, and a 30 year spread from oldest to youngest. That's very stimulating and a lot of fun to try to help people to lead the group, watch the group help each other, and this is a very satisfying thing. This is my next career; this is what I'm moving more into and gradually away from the logistics and consulting business. I'm not announcing that I'm quitting or anything, but I'm just spending less time.

STOCK: So it is a natural evolution for you.

ACKERMAN: Absolutely.

STOCK: You mentioned a few people; the one teacher for example that gave you the love of reading and literature; you mentioned Jim Heskett who influenced you when he was on your board; did you have any mentors as you were developing? And who were they?

ACKERMAN: Well since we are sitting on the campus of Ohio State, I'd have to say that the distinguished professor here by the name of Arthur Cullman, who I don't know if you knew Arthur or not (**STOCK:** Yes), was a huge influence on me. I think he may have introduced me to Jim [Heskett] but I'm not sure about that. I think everybody that was close to Arthur was strongly influenced by him because he was just a natural mentor. I've got to think about some others. The fellow who was partner in charge at Coopers and Lybrand when I joined the firm taught me a lot about the consulting business, so that when I went on my own, leaving Coopers, I felt like I really was prepared to be on my own. So those are two that I think of quickly as mentors.

STOCK: Now did those mentors choose you, or did you choose them?

ACKERMAN: I don't know that; that's hard to say. I guess I should also say that Bud La Londe here at Ohio State has been a great friend and mentor and I've often said that I can learn more over breakfast with Bud than I'll learn the rest of the week because he is always on the edge with great ideas. And you didn't mention it, but the *Harvard Business Review* article that we did was jointly done. Bud and I wrote it together; had a lot of fun with it. We've done some consulting together, so he's been a great influence as well.

STOCK: Now from all the things that you've done both in the family business growing it into a multi region distribution center operation, and then going into consulting with Coopers and Lybrand, then on your own, and now involved in writing and lecturing and your counseling activities that are becoming more important; what would you say would be your personal mission statement or that code of conduct that drives you to do all of this?

ACKERMAN: I think that very few people are successful in leadership and I'd like to think that I've learned how to do it. I'm still learning. I'd like to think that I've taught others to be better leaders by maybe showing them what they do that's wrong and what they do that's right. And so, I look upon this counseling activity with Vistage as sort of a laboratory for leadership. It was fun having a leadership position in a professional society like the group that's now called CSCMP, because that's a different kind of leadership. You have no power over anybody to get them to do anything. You can only hope you might motivate them to do something. And my first job for what was then called NCPDM was to

run an annual conference and the guys who drafted me to do this said well Ackerman, if you fail at this, we'll be out of business. If this conference fails, the council would be broke and it'll be your fault, but there's no pressure. Do whatever you'd like.

STOCK: That sounds like something George Gecowets might have said.

ACKERMAN: That was even pre Gecowets actually. I got that job I believe, just before George came on board. George was a friend before. He lived in Columbus, before he went to join the council, but leadership in volunteer organizations is a different kettle of fish as you know, and to some people, discovered late. You can't manage volunteers the way you can manage people when you sign their paycheck. So it's a tricky thing to do and it was fun to do.

STOCK: As you look at all those jobs you've held, what was the ideal job?

ACKERMAN: Oh gosh, I've had fun with all of them. It was fun to run a company, but I didn't want to do it forever. It's been fun to be a consultant, particularly unless business gets bad and the phone quits ringing which does happen in consulting. I don't think there is any one ideal job, Jim. I've enjoyed most of them.

STOCK: Is there anything that you have not done that you would have liked to have done?

ACKERMAN: I haven't been an outside board member of a business. I've been a board member of non profits. And I won't be. Highly unlikely that anybody at my age gets invited to join an outside board. In fact, there is an age limit for most boards, so I won't be. I wish I had; I wish I had been on some corporate boards; [it] just didn't happen.

STOCK: Well, you've done a lot without having had that on your resume.

ACKERMAN: It doesn't bring tears to my eyes. But I wish it had happened.

Family

STOCK: Now earlier in the interview you were talking about meeting your wife as one of the highlights. Tell me about her and how did you meet and do you have children? If so, how many? What are they doing, and so on?

ACKERMAN: Well, we first met because I met her older brother who was providing a home to a Chilean student. I squired a group of Chilean young ladies in Washington. They were part of this same student group that I'd gone to Mexico with and this girl came home and said I met a soldier who wants to take me out to dinner. My wife's brother was fairly alarmed. He felt that he was responsible for this girl and he wondered what kind of soldier she had met. So I met her brother who decided that I was alright. He let me take her out to dinner and then he decided he wanted me to meet his sister, so that's how I first met Jean and then I met her later at a party in Washington and we had a whirlwind romance.

STOCK: So how long did you date before you got married?

ACKERMAN: Oh, three or four months.

STOCK: So it was a fairly quick courtship?

ACKERMAN: Yes.

STOCK: And you've been married how long now?

ACKERMAN: 53 years.

STOCK: So that whirlwind courtship has lasted 53 plus years.

ACKERMAN: Yes.

STOCK: And your children?

ACKERMAN: The oldest, my son, lives in Manhattan and is in television special effects and his wife is a writer of children's books, so they both make a living in the arts and somehow don't starve. My middle one is a professional engineer specializing in water which is a hot field for engineering and lives in Virginia and is divorced, but has a great business career. My youngest is a clinical psychologist living in Hanover, New Hampshire.

Her husband is, I don't know what his rank is, but he is on the faculty at Dartmouth [College].

STOCK: So two boys and a girl or two girls and a boy?

ACKERMAN: **Two girls and a boy. My son is the oldest and then the two girls.**

STOCK: What was your main goal as a parent?

ACKERMAN: **I think just survival. I wasn't a very good parent, traveling too much, but my wife is a very good parent so she makes up for me. You know all you want is for your kids to stay out of trouble and be successful and they didn't always stay out of trouble, but they've been reasonably happy and successful, which is all you can hope for.**

STOCK: I think it was Mark Twain who said: As children grow you put them in a box with a hole and sort of feed them and give them information periodically and when they become teenagers, you seal up the hole.

ACKERMAN: **Well, it was Benchley who said all children should be locked in the closet until they are old enough to read Greek. It was a similar idea.**

STOCK: In what ways do you think you have influenced your children the most?

ACKERMAN: **I'm not sure I've influenced them at all. Our one family activity that's been very good for us and we can't do it as well, my wife can't do it at all anymore, was family ski trips and for many, many years we spent every Christmas skiing. For about 15 years we owned a property in Utah and you were expected to be there at Christmas. And everybody came and we got grandchildren and got to be a bigger and bigger pile of people, but everybody went out on skis and it is a great family activity. I still ski with my brother in law and my son and sometimes my son in law, so we still do it and it is a lot of fun. It is a great family building thing.**

STOCK: I'm surprised it wasn't horseback riding.

ACKERMAN: **That's too expensive, because I've done a little of that, but to get a whole mob to do it costs even more than skiing.**

STOCK: If I had your children here, how would they describe you as a parent? What would they say?

ACKERMAN: Wow. I'm really not sure. You'd probably have to ask them, I think. They all speak to me; none of them are angry at me today and haven't been. A lot of needling. They are politically very liberal in this election season. There is a huge amount of needling back and forth about the merits of various candidates and so forth, but I think we've all gotten along well together and that's a great blessing.

STOCK: So Ken, relating more to family issues, you mentioned your parents; in what ways do you think your father and your mother influenced you?

ACKERMAN: Well, my mother was very interested in education. She was, at the time of her death, the president of the school board in Lima, Ohio, which I considered to be terribly funny irony because she'd always been an enemy of the public schools in that town. And all of a sudden she was leading the charge, so I think that she particularly made me appreciate how important education was. My father was very much a risk taker and an entrepreneur and I think that he showed me some of the possibilities in the business world. They both were great travelers and I am too. I probably should have mentioned that, but one thing that we love to do is travel. The only continent we've not been on is Antarctica, so we move around a good bit. I will be in Central America this winter; I'll be in Mexico for Christmas. Last winter we were in Peru. We move around and enjoy traveling.

STOCK: So Ken, what you need to do is take the cruise that goes below South America and then take the little boats, shuttle or helicopter over to Antarctica to visit every continent.

ACKERMAN: I've thought about that.

STOCK: Like you, I've been on every continent but that one as well, so that's my plan. I just need to find time to do that. Which of your two parents do you think you're most similar to: your mother or father?

ACKERMAN: Probably my mother. My father was much more easygoing and relaxed that I had ever been. I've always said that if my son had come into the business, I would

have probably killed him. Or, he would have killed me. My father was that kind of person who'd let me make all kind of dumb mistakes and never complained about it, so I think I'm more like my mother.

STOCK: Of course you were 90 miles away.

ACKERMAN: That's true; that helped.

STOCK: So, do you think the manner in which your parents raised you affected the way you developed as a business leader?

ACKERMAN: Of course it did; it does with everybody I think. Sure, I was raised to be curious, raised to be interested in learning, and raised with the expectations that I would do well. So, I had high expectations and tried to meet them.

STOCK: Now you briefly alluded to this in responding to family; do you have brothers or sisters?

ACKERMAN: None surviving. I lost my sister about 9 years ago. She was five and a half years younger. And I think my mother in law lost two in child birth. So yes, I did have one sibling; don't today.

STOCK: So no one in your family other than your father who was in your business.

ACKERMAN: That's correct.

STOCK: Was there some reason for that; that everyone chose other professions?

ACKERMAN: Well, my sister had no interest in business. There wasn't anybody else in the family to do that so it wasn't even an issue. However, this was an interesting thing. As our company grew, Distribution Centers Inc., my right hand guy suggested that we have a no nepotism policy and I grabbed that and I said Bill, that is a great idea and one of the reasons I thought it was a great idea was I was looking around at my management team and they all had kids and I thought this could really be a rats nest if everybody wants to pull their kids into the business. I wasn't really worried about my kids. I suspected that my son had no interest in it anyway and when I was challenged on that by a friend that said

how can you do that to your children, I said well, if I ever have a child who wants to be in business, I'm going to hope I'm in a position to be his or her banker. Buy them a company; help them buy a company, but not the same company I'm in, because I don't want to do what my dad did. I don't have that kind of personality where that that would work. He did and I don't.

STOCK: Now let's go back to your spouse; your wife. You mentioned that world wind romance. So your first date was a dinner with her?

ACKERMAN: Yes, at her brother's house.

STOCK: And you got approval at that [dinner] apparently.

ACKERMAN: Yes, but the funny part is that one didn't take; I didn't see her for a while and then I met her again at a party sometime later and remembered meeting her before. I got to talking with her and decided this was somebody I really would like to spend more time with, so the first meeting didn't get the result that her brother intended, but the second one did.

STOCK: Now you think back on 53 years of marriage, did she let you pursue her and did she slow down so you could catch her type of thing, or did you have to convince her that you were the right person?

ACKERMAN: I'm not really sure about that. I think you'd have to ask her.

STOCK: Well whatever, it's been an excellent 53 years.

General Historical Questions

STOCK: Now, let's shift gears for a moment in terms of general questions that probably you were never asked or haven't thought about. The first one being if you could live in any historical period (you mentioned an interest in literature, history and other things), what historical period of time would you like to have lived in and why?

ACKERMAN: Well, I think that probably the civil war period in America had to be among the most turbulent and interesting times. It was a time when businesses grew like crazy, where a position could grow particularly in the post civil war period was a time when the country was going through great agony and when the country had probably its best leadership. And having been born on the 12th of February, I've had enormous interest in Lincoln and done a lot of writing and reading about Lincoln trying to understand the talents the man had. I would have enjoyed being alive when he was and having the chance to observe how he operated, so I think that's probably the time that is of greatest interest and that's only 150 years ago. I haven't thought much about whether I would have liked to be a Roman or a Greek or one of those people; that's so far away that it's hard to identify.

STOCK: And Ken, in fact, in Lincoln's day, you actually could have met him. It was much easier to meet a president.

ACKERMAN: Yes, you probably could of course. Sure, of course it was.

STOCK: Now if you could meet any historical icon, you mentioned Lincoln, of the past or present, who would that be?

ACKERMAN: I've answered it really.

STOCK: Anyone else? Could be present day or anything from the past.

ACKERMAN: Oh, gosh. My commander-in-chief when I was in the army was Eisenhower and I saw Eisenhower numerous times. I wish I could have met him and talked with him. I think he was an amazing man and I would have loved to have learned from him because I don't think he is fully appreciated today. I think he will be with a little more distance. So I guess those two are people that I wish I could have met and talked with. I've got to think a little bit. Sherman has always interested me. He was born 30 miles from here. I've read a lot about him. He was considered by some to be clinically insane. He was also considered to be brilliant. Lincoln was among those who thought he was brilliant and from everything I've read about him, I wish that I could have met him. Because he was a very unconventional military man and the ironic thing is that he had great love for the south. He lived in Louisiana when the war started and he loved the

south. He was furious about those people in the south who had taken it out of the Union, but he didn't hate the south. In general, he really loved it. So he was a complex human being.

STOCK: Yes sounds like he was. Now if you could be anyone in history, who would you be?

ACKERMAN: Oh, I suppose Lincoln. I'm getting repetitive but still, Lincoln's style of leadership was unique in that the last wonderful book written by Doris Kearns Goodwin called the *Band of Rivals* or *Team of Rivals*, whatever it is. His ability to take all the people who he knew were opposed to him and say I want you on my team was absolutely incredible, and most of those people arrived there either hating him or something close, certainly not liking him, and came away with the opposite, because he just absolutely turned them around and that's a rare talent.

STOCK: Sounds like something we can use today.

ACKERMAN: Yes, indeed. Yes, indeed.

General Information and Perspectives

STOCK: Now some general information about you Ken that perhaps we did not touch on. Is there any little known fact or intriguing event that other people probably would not know about you? As an illustration, when I interviewed Don Bowersox, he indicated he almost became a pharmacist.

ACKERMAN: Really?

STOCK: And Tom Mentzer indicated he was almost put in jail by Federal agents for something that they thought he had done.

ACKERMAN: Well, you know, I'm terrible that I can't think of an answer to that. Well, people outside of this town don't know that I'm a founder of an independent school which I am, and very proud of that.

STOCK: What was the motivation behind that?

ACKERMAN: Rage. Absolute disgust with the status quo, because there were at that time two independent schools in Columbus, both single sex, and the girls school particularly was very badly managed at that time. They finally fired the guy that was wrecking the school. They finally caught up with him. We opened a school on the other side of town and it was opened as a co-ed school. It was the first co-ed independent school in Columbus and it has had a fantastic growth beyond our wildest dreams and I think if there is any single community thing that I'm proud of, it is to have been a founder of the Wellington School. But people outside of Columbus don't know about that unless they read all the fine print in my bio.

STOCK: And so it sounds like it's a profit center.

ACKERMAN: Well I wouldn't say it's profitable. It's a 501C3 of course and we depend upon the generosity of parents and grandparents and now alumni that have been in business long enough to now have alumni able to give money. But fundraising for schools is a tricky thing and we are still working at that. And I would add that I have nothing at all to do with that school today, because I don't believe in staying on boards. I was on that board a long time and was glad to leave; somebody else's turn.

STOCK: Now is there any part of what you have done in your life when you think about 50 plus years that you would do differently?

ACKERMAN: If I could do it all over again, what would I do differently? Not really a lot. I wish I had gotten into this counseling business with Vistage earlier than I did because I've had a lot of fun with it. I would have been glad to do it earlier. Its great virtue is there is no travel. All of my group members live in Columbus so I'm not on airplanes and my motivation for doing this is to reduce the amount of travel, which as you know is not as much fun as it used to be. If it ever was fun, it certainly isn't today, so I wish I had started that maybe 10 years earlier than I did.

STOCK: Now did that group exist 10 years before?

ACKERMAN: It used to be called Tech and many people know it by its old name, the executive committee. And Tech entered; it started in Wisconsin 52 years ago. It entered Columbus in the early 1990's, so I could have been doing it 10 or 15 years earlier than I did. I've been at it for 3 years but I could have been at it a lot earlier.

STOCK: How did you become aware of that group?

ACKERMAN: Well the first tech chair in Columbus was a friend. I knew him when he started. I even gave him some tips on recruiting/building a group of people that might be interested, so I was trying to help him because I liked him and I thought that the business model was different from YPO, but very valid. And I liked the differences and I thought the YPO needed competition. Everybody needs competition and this was a good option to those who might like the idea, but didn't want to go to YPO or didn't or couldn't or something like that. Unlike YPO, Tech and Vistage have no age restrictions, so I have this group with a 30 year spread from oldest to youngest. You don't get that with a group that kicks everybody out at age 50, so it's an interesting business model and in many ways a superior one which I wish I had started earlier.

STOCK: Now Ken, being in; we don't want to say twilight of your career, but you are certainly older than when you began 50 some years ago; how do you hope to be remembered? How do you think people will remember you?

ACKERMAN: Well, I think about [Thomas] Jefferson and other persons and you know you talked about people you'd like to meet and I should have mentioned him. I really would have loved to meet him and I would have loved to meet Teddy Roosevelt. I'm answering these out of order.

STOCK: That's quite alright. Jefferson, being Thomas Jefferson?

ACKERMAN: Thomas Jefferson and Teddy Roosevelt I think were two of the greatest intellects that ever sat in the white house and had strong personalities and Roosevelt must have been a speed reader and a fantastic linguist. He read most stuff, most French stuff he read in French and read at huge speed and was a brilliant horseman. I like horses. I would have liked to have met Teddy. And I would have liked to have met Jefferson; but I

think Jefferson at Monticello if you go to his beautiful home in Virginia and visit the grave site; he designed his own tombstone and he even did a sketch of it and said what they could write and said write this and nothing more. And what it says is that he was the author of the Virginia bill of religious freedom or something like that, author of the declaration of independence, and founder of the University of Virginia. That's all it said; doesn't say that he was president and that was very deliberate. He felt that doing those three things was more important than being president, so I guess I don't think it was terribly important to have been president of a corporation. I do think it was important to have been a founder of a school. So I'm not designing my tombstone and don't care if there is one, but I guess I'd like to be remembered as a founder of a school.

STOCK: What do you like to do in your spare time?

ACKERMAN: I don't have much.

STOCK: I understand. You try to have some spare time.

ACKERMAN: I do a lot of reading.

STOCK: Fiction\Nonfiction?

ACKERMAN: Nonfiction and periodicals. My favorite is *The Economist*. I spend a lot of time reading that magazine, which has a huge amount of material in it and I go through the *New York Times* on the web, and scan parts of the *Wall Street Journal*. I do read some fiction. I'm reading Vargallosa who's the Peruvian who won the Nobel Prize for literature. When I read about him I said I wanted to read a little of his stuff, because I like Peru and I wanted to see what he was writing about, and that's fun.

STOCK: Are you reading in English or Spanish?

ACKERMAN: No, I'm reading it in English. I thought about trying to read it in Spanish, but it was too hard and I won't read it as fast. I could probably could do it, but it's just easier and I pace walk usually two miles a day, sometimes three. I do ski about once a year. I go to the Opera now that the Metropolitan Opera is in your local movie theatre. I go to the opera a lot. Just for 20 bucks to the movie theatre and it's better than being in Lincoln

Center, so I do that and I watch very little television, almost never go to the movies, and I don't have a whole lot of spare time. But one of the things about writing, which I'm still producing a newsletter, you can't write unless you are reading, because you run out of things to write about and if you keep writing about the same old stuff, nobody will read it.

STOCK: I always find something interesting in your newsletter. You always have on the last page some articles to read.

ACKERMAN: That's right. I have to read those. So as you well know, seeing my newsletter there are about six or eight trade magazines that I have to thumb through every month to find stuff. With experience, I learned how to get through those very quickly and find what's worth writing about.

STOCK: Now Ken, one of the things I found interesting with all the activities and things and knowing a number of people here in Columbus at Ohio State especially, that you were never a golfer?

ACKERMAN: No, I think it's a terrible waste of time. I have no regard for that activity whatsoever. And of course, it's a ball game and I told you I can't play a ball game, even croquet. No hand to eye coordination. My father wanted me to, was very anxious to have me be a polo player, being at a school full of horses at Culver, and I couldn't hit the ball. [It was a] great disappointment to me and more to my father. He thought that was the thing to do, to play polo, and it is a wonderful game, but you must have hand to eye coordination.

STOCK: Long stick with a small ball and you are up several feet from the ball; very difficult. Now Ken, did religion have any role as you were growing up or presently?

ACKERMAN: Not presently. I joke that I'm sort of a born again pagan. My wife is a card carrying member of the Unitarian church here and she goes and I let her go. I didn't mention this, but we have a cabin in the Hocking Hills in Hocking county in Southeastern Ohio, so Sunday for me is Hocking county were I like to be and I get inspired by the trees.

STOCK: Yes, the Hocking Hills is very pretty as I remember when I was young.

ACKERMAN: It's still very pretty.

STOCK: Now in terms of your life before warehousing and distribution, what do you think are the main lessons you've learned in life?

ACKERMAN: Leadership is important; leadership can be taught. Helping people be good leaders is worth doing. Developing the next generation of leadership is valuable in every organization and passing on leadership responsibilities to other people is not easy, but very necessary.

STOCK: And you think in terms of what you are doing now, in terms of counseling and developing leaders, you could not have done it earlier in your career?

ACKERMAN: Oh, I probably would have tried. I think that maturity has probably made me better at it. I don't think I would have been good at it in my 20's. I think that as you go through life you are in a constant tussle with leadership issues. One of my greatest frustrations in leadership was a very turbulent year as president of our local opera company and I came away from that hating almost everybody involved in it. It was mutual and I simply couldn't identify with those people. We didn't think the same way and it was my view that you ought to at least, if you don't make money, at least spend it responsibly and come close to breaking even. I was with a bunch of people who were the last of the big time spenders and they drove me crazy, so that was a leadership job that was a failure on my part. I could not adapt to the culture, nor could I change it. I came away very frustrated; proof of the fact that you don't win them all.

STOCK: Now given your educational background, your work experience, and your marriage, were there things that you would call "turning point(s)" in your life which caused significant shifts in direction or expanded your horizons?

ACKERMAN: One turning point was that I considered to be perhaps the best single piece of advice that I can remember receiving and it came from my wife's guardian. It wasn't her father; she lost her parents in childhood. Both died young of disease in her childhood, but she was raised by two cousins. The man was a tax lawyer in Washington and I think shortly after I was married, he was talking to me about the business I was going into and he

gave me a wonderful piece of advice. He said if you start writing about the business you are in and how it is done, he said you'll be positioned as an expert even if you aren't, because nobody else writes. He said so few people in business write anything down, so he said start writing, and I followed that advice. I followed it pretty early and discovered fairly early that there were trade magazines that would print almost anything if it was legible, because they were looking for material. So I realized that the best way to be recognized as a supposed expert was to write about what you were doing, even the most mundane things that nobody else wrote down. So that was a turning point. The idea of getting out of business before age 50 was clearly a turning point. And then the idea that was brought to me by one of my board members that the company would bring more gain by liquidating rather than selling was a major turning point that we executed; I mean we did it. I felt it was the luckiest thing that ever happened to me, aside of course from being married, was to get out of the business while I was still fairly young.

STOCK: Now, given all that experience that you've had, here we are at Ohio State University [where] they have a logistics and supply chain program. If you were counseling them, what would you tell them in terms of what they should expect; what they should look for; and what should they be doing as recent graduates?

ACKERMAN: I think I would tell them that they need to constantly polish their communications skills; that a supply chain manager is a bridge builder between other disciplines and particularly in this era of email, you don't get it all done talking. You've got to get a lot of it done in writing. So you'd better be able to write well; you'd better be able to communicate with other people; you'd better be able to see their point of view and build a bridge to them. You have to get along and recognize that you are in a bridge building occupation and if you don't like being a bridge builder, you'd better find something else to do.

STOCK: So do I infer from that if students were pursuing careers in distribution or supply chain management for example, they should concentrate on non-supply chain, non-distribution types of courses and more in human relations, communications and so on?

ACKERMAN: Jim, I'm a great believer in versatility and I'm often glad that my undergrad degree was in modern languages and Latin American affairs, and not in business. I think that the best leaders are rounded people who have varied interests instead of being very narrow or a specialist that just knows how to do one thing. So I would advise them, don't just study supply chain. Go out and learn another language if it's not too late to get that done; it's never really too late. Go out and do other things and be a generalist, because I think that generalists are the ones that can move to the top, who have multiple skills and of course in our world economy today. I've a granddaughter who's decided she is going to major in Japanese; that just fascinates me. I kind of wish I'd done that.

STOCK: Tough language.

ACKERMAN: It is a very tough language and a very different culture, but a very important one. And that youngster will, if she gets good at it, that alone will be something that will get her a good job somewhere.

STOCK: Now when you think back when you started in the profession in the 1950's, you were familiar with it before that because your father being in the trucking and warehousing business. What are the most significant ways you think the marketplace has changed in that time?

ACKERMAN: Well, there is far greater recognition today for the role of service providers. Incidentally, I reject the term 3PL which I think is a poorly chosen phrase. I prefer to call them logistics service providers, which is the business I was in. [There is a] far greater acceptance of that willingness to outsource that function, far greater than it was twenty years ago, and infinitely greater than it was thirty years ago. You know there is far more outsourcing than insourcing I think today and it started in Europe, but it's happened more here. The growth opportunities for logistics services overseas are enormous. Latin America has relatively little of it. Not sure about the percentage in Asia, but as a world business it has enormous growth opportunities because there is greater acceptance in the fact that you follow the Drucker idea and you sell the mailroom, stick to your core competency, and don't mess around with things that you don't know how to do well.

STOCK: You mentioned core competency; should a firm ever outsource a core competency to a service provider?

ACKERMAN: Well, not if it is really the core competency. I don't think they should, no. Unless there are certain conditions where it makes sense: a turbulent labor market; or an overseas different culture. You may be very good at running warehouses in the United States, but should you try to run them in China, if you have to be in China, or would you be better off to let a Chinese firm or an American firm with extensive Chinese experience do it for you, or not necessarily American, but a firm with substantial on the ground experience? And the hypothetical is supposing I've got to open a distribution center in China and have it open within the next six months. I think you would be insane to try to do it yourself. The cultural gaps, the linguistic gaps; everything about it is so different.

STOCK: Possible relationship building that takes years in those things.

ACKERMAN: Yes.

STOCK: Now those changes that had taken place, are there any that you perceived as being not good changes?

ACKERMAN: Oh boy, in this election season I almost hate to answer that question. I think one of the healthiest things that happened in America in the last thirty years has been the relative shrinking of labor unions in the private sector, because I think they've been very destructive. There was a time in the 19th century and early 20th when they did good work, but more recently they've been very destructive, and I'm very concerned about the pro-union bias of the federal government today, which I hope and believe will have to change. I am like many, very concerned about what I see as an anti-business bias in Washington, which I think will change and I'm concerned about the growth of the public sector and the fact that the public sector workers apparently today make more money than people in private industry. So pretty soon we lost a wonderful politician in the state by the name of Bill Saxbe, who said in England, "everybody is taking in everybody's wash," and that's where we could end up if nobody is making anything in America anymore. We are just taking in each other's wash. I hope to see the day when we have a resurgence of manufacturing in America, which we've had in things like IT and to the extent that in

manufacturing, the entertainment business; the television and film is very strong here. So we need to develop more creativity and to develop union-free enterprises, which I think are healthier than those that are unionized.

STOCK: Now what would you say are those excellent or very good changes that have taken place?

ACKERMAN: Well, we have gone global and I think that's good. Very hard to go to war with people you are doing business with, and I think that the success in the logistics industry of FedEx and UPS becoming true global service providers is wonderful. I think the example that Fred Smith set as an entrepreneur is inspirational.

STOCK: Even though he got a C on that report?

ACKERMAN: Yes, I love to tell that story in workshops about the Yale professor who said that it would never work. The banker said the same thing. But I think globalization has been a very healthy thing and my hope is that our country doesn't lose its edge that it has. I'm not at all worried about free trade because we are the winners on free trade ultimately. A few people will lose their jobs, but a lot more will get jobs because of globalization.

STOCK: Now related with your background in Latin America and your fluency in Spanish and visiting there a lot (not a question I prepared but one which it brings to mind), what is your perception of NAFTA in terms of its impact?

ACKERMAN: Best thing that could possibly happen and one of the wonderful things. I travel to Mexico a lot and the relative prosperity in Mexico compared to how it was fifty years ago. You will see more panhandlers in Columbus than you will in Monterrey. I was vacationing in the island of Cozumel on the Yucatan peninsula and I asked the house cleaning lady; she was cleaning up our condominium; tell me, is there a lot of unemployment here? And she just shot right back and said only the drunks, so everybody that can work has a job and the ones that can't, that don't have a job, are unemployable. She came right back with a quick answer and I've been in Cozumel since. You don't see any poverty there; you never see any panhandlers or beggars. There must be a slum somewhere on that island, but I've never found any. Now tourism did that, but the tourism

has somewhat been promoted, I think, by NAFTA, and the relative prosperity of Mexico compared to what it was. And of course, if I could be king for a day, I would put a big tariff on the import of oil and do it as quickly as possible, and then allow of course through NAFTA, Canadian and Mexican petroleum to come in under the tariff and let us buy all of our oil in North America and send our money to our neighbors instead into the Middle East. I think that the world would be a lot better off and the day that the Mexicans don't have to come up here to get a job would be a happy day for everybody and that could happen.

STOCK: Now related to that one of the issues has been on the front burners for at least a couple of years now, has been Mexican trucks on US highways.

ACKERMAN: **Outrageous. This of course is the Teamsters union. See, they don't care about the Canadian trucks because those guys are teamsters; so that's why nobody in the press wants to talk about that, but that's where the issue is. The teamsters want the Mexican non-union truckers out and I think is a huge embarrassment to the United States. That we've allowed this to happen is outrageous. If I were a Mexican I would be furious. I'm not a Mexican and I'm still furious; this is unfair and unwarranted.**

STOCK: Well, most of the discussion seems to be on safety issues.

ACKERMAN: **Yes, but that's a straw man. I mean, you could read about and look at Mexican trucks and it's just, I think, an excuse.**

STOCK: Ok, so Ken, let's ask some specific questions. What we've been asking thus far with very few exceptions have been questions we've asked all those we've interviewed. We wait until the end to start some specific questions specifically related to your career and interests and accomplishments, and the first one is (you briefly mentioned it the organizations that you've been involved with primarily the first one, NCPDM (National Council of Physical Distribution Management) now CSCMP, when you were first involved in that organization, years and years ago, did you have any vision that it would be the type of organization that it is now?

ACKERMAN: **I think I did. In my inaugural address, it's too fancy a word, but the talk that I prepared at the annual meeting when I was named as president, I said that I**

expected to see the day when we took the first letter from national out and I persuaded our executive committee to have a meeting in Toronto with the Canadians and it was ahead of its time. I got some push back. One of our guys said Ken, my responsibilities are strictly within the US. My management won't support my running around the world. We are not ready for that. So I backed away. It was one of those cases where you are leading and you discover nobody is following, so I backed away, but I certainly celebrated when the name changed and the N [from NCPDM] was dropped and that had a whole lot to do with the growth. It was no longer the National Council; it just took the N out.

STOCK: That was in 1985 where it became the Council of Logistics Management.

ACKERMAN: That's correct. In 2002, I was agitating, may not have been the first, but was early in saying logistics is the old term; the new term is supply chain, and if you went to a cocktail party and you met a dentist or a psychiatrist and said I'm a logistics manager, you probably had to keep talking, because they would say well, what's that? But everybody knows what a chain is and everybody knows what supply means, and I said, you know, it really isn't that great deal of difference; it's, I'm a wordsmith, a supply chain is better understood than logistics or physical distribution. People think they know what it means and that's important.

STOCK: Now let me ask you a question just for your personal input. UPS now has their new commercial which is using the logistics song and they didn't use supply chain. So what do you think about that?

ACKERMAN: Yes, I know. Well, it's better than their old idea of trying to sell a color, brown, which I thought was idiotic. I don't care which term they use. They are doing a great service to all of us in the field to create awareness of the business we are in. So I love it. Probably, some song writer said, I can do more with logistics than I can with supply chain. You never know what Madison Avenue will do, but UPS is a company that has great management; I might add great vertical mobility. Vice presidents who started as freight handlers and lots of money to tell their story. So I wish them well and I don't care what term they use if they get the public acquainted with it. It is a win for all of us.

STOCK: Now we also mentioned in summarizing your background, another organization which was formed after NCPDM; that was WERC, the Warehousing Education and Research Council. You were one of the founding members. How did you get involved; obviously being in warehousing?

ACKERMAN: That's true. Well, that's a strange thing and I never went though the chairs of WERC, never really wanted to and I saw a lot of people who wanted to more than I did, but it was a strange thing. I had at least two people pestering me on the telephone, saying we were still called American Warehouse Association then, which is now called IWLA, the trade association for public warehousing. I said I would like to go to that convention and I've called Chicago and they said you are welcome to come down and play golf or sit by the swimming pool, but we won't let you into our sessions because those are secret. And these two guys were needling me about this and I said, that's just the silliest thing I've ever heard in my life. I said there isn't anything that should be secret and is worth being secret. So I had a series of visits with two academics at this institution. One is no longer with us, Jim Robeson, and the other, our friend, Bud La Londe, and we, shooting the breeze over breakfast, said: why couldn't we just have an association that welcomes everybody in warehousing and not just the public warehouse crowd, but everybody and kind of model it after NCPDM? And then I called my friend George Gecowets who said, that's a great idea, I'll support that. I think it's wonderful. Then I ran into another guy who is no longer with us, one of the founders, Burr Hupp, who was at the founding of NCPDM and in his inimitable style, he said Ken, it is never going to happen with a bunch of guys yakking about it over breakfast. It's only going to happen when one guy gets on the telephone and gets one or two dozen of his best friends to come and sit down and talk about it. He said that I think you are the guy that has to do that and I saluted, and said yes sir, and did it. But Burr was sort of the great eminence behind who was telling me how to do it. And we got twelve or fifteen people to the Airport Holiday Inn in Columbus come in at 10 AM and we'll be done at 2 PM sort of thing, fly in and out the same day, and the rest is history. It started. But one of the things we did in that initial meeting deliberately is, we invited a board member from NCPDM; that was Bob Delaney; and we invited a board member from the warehouse association, and that was a fellow with the name of Rob Lamoth from Kansas City, and we said go back to your groups and tell them that they

could change things so we never have another meeting. If NCPDM would have a warehousing division and had part of its conference devoted to warehousing then we don't need this and then go back to the warehouse association and say if you would open up your sessions to shippers and private warehouse operators and customers, then we don't need this. So you two guys have the ability to make sure that we never meet again. We were pretty sure what would happen, but we thought, and this I think, was Burr's idea, that we are not plotting a revolution, we are inviting everybody into the tent and saying here is what we want to do. If you want to stop us, please stop us. I was very sure what would happen with NCPDM because George Gecowets was saying there is room in the world for a warehouse organization. We shouldn't be it; it's a good thing to do; let's assume that it's a great idea. Not everybody on his board agreed with that. Fortunately, most of them did.

STOCK: Now it's interesting you mentioned at least from my perspective one of two people that probably had the most significant impact on warehousing; yourself, and Burr Hupp. But the only difference is that you don't wear the loud jackets that Burr Hupp wore. But what was your opinion of Burr Hupp?

ACKERMAN: I stood in awe of Burr Hupp. He was a fantastic leader. He was a great communicator. Academic friend of mine said he would have made a great Roman general. He said he looked like a Roman general. [He] was very, very persuasive and you sort of wanted to salute and say yes sir, whenever he said anything. My first and only job for Burr was to chair the first [WERC] general conference because I had chaired a conference for NCPDM, which we had here on this campus in the Fawcett Center at Ohio State. I had no idea who would come, or if anybody would come. There was no history. You know, we were building with no history. In the evening before the conference, I think a few people got together for dinner and Burr started after me. He said, you mean you didn't do this and you didn't do that and this third thing you neglected to do. He said what were you doing? But that was Burr you know. He was domineering in the best sense; a dominant personality. I have a huge regard for him.

STOCK: Like you, he was involved in the profession for many years.

ACKERMAN: Yes, indeed.

STOCK: Now you mentioned in general background the one gentleman who influenced you significantly to write about what you did. How did that go from articles for trade journals and magazines to books?

ACKERMAN: Well, I think I have to give Princeton some credit for that. I had to turn in a 40,000 word thesis when I was a college senior and I found out that if you go after the elephant one bite at a time, you don't write a book, you write a bunch of chapters, and so I wasn't intimidated by the idea of producing a book, That never worried me as something that was too big or too hard, because I had done it at a tender age and I knew that it was doable.

STOCK: Typically people don't write multiple books. You've written multiple books.

ACKERMAN: Or you could say I wrote the same one over and over again with different titles. I think that each one to some extent gets easier and easier than the last because you have experience, and to some extent, my writing today to some extent, anthologies, in that when I produce the book, we go back through all 25 years of newsletters and say you know, we could take this article that would fit really nicely into chapter 12, and you start out of course with the outline and that's the hardest part, deciding what you are going to cover and how many buckets you are going to have. But when you have a lot of writing in the bank, I think you can recycle some of it. You have to be careful how you do that so it doesn't look recycled, but it isn't all reinventing the wheel at all.

STOCK: So other than revisions, what's the next Ken Ackerman book?

ACKERMAN: Well, our third edition of *Warehousing Profitably* is almost done. I think it will be available around the first of the year and it's a major revision because the last one is very badly out of date, so we had to write a lot of new stuff, and the things that aren't done are the real fun jobs, like getting the index made and that sort of thing. And I use self publishing, so I'll have to go have the type set and go and get a printing contract and so forth. The book is basically done and I continue of course to turn out my newsletter every month and the other books that we had are fairly new will probably go to revision. I'm not

thinking of anything; not yet planning any sexy historical novels or anything like that. Other writing I do probably is going to be similar to the last.

STOCK: So you don't have any thoughts of writing another *Precipice* book.

ACKERMAN: No, no. I was on that committee. That was a lot of fun and I will add sheepishly that I was a promoter of what turned out to be a really bum decision for the council to be self published with a business novel. That was a bad decision. I wish I'd never suggested it.

STOCK: It was an interesting book though.

ACKERMAN: It was, but it was a commercial failure because we didn't have a publisher and we didn't know how to market a novel. But I was sort of agitating because my experience with self publishing had been very good. I said we don't need a publisher. If we get every third person in the council to buy a copy, we'll have a commercial success. We didn't do that.

STOCK: So is there a leadership book on the horizon, perhaps?

ACKERMAN: From me? I keep writing articles about leadership. But no, I don't think so, because I don't know how to market it. I think I know how to write it, but I don't know how to market it. My experience with big publishers has been unfortunate. I had a very good experience early with Traffic Service Corporation which is the place where George once worked and I forget what it morphed into, something else, but there we were dealing with the president of the company. They were great to work with. I've had some other experiences that I don't want to talk about that got me a little sour on the publishing industry.

STOCK: Now, excluding yourself, who do you think has made the most significant life time contributions to warehousing?

ACKERMAN: Oh, wow; oh gosh. I wish I had thought about that before you asked it. Ok, Gene Gagnon. The late Gene Gagnon was the first person I think to convince the public warehousing industry that they could take an engineering approach to rate making

and to figure out accurately what their costs were. There was a warehousing guy in Detroit who was something of a practical joker who invited his customers into a little room where he had a crystal ball and a wigi board and he said this is our room where we develop rates. It really was pretty primitive. People, when they call each other and say how much are you charging RJ Reynolds so I can figure it how much I'll be charging? Never how much does it cost and what can we get away with. The customers took advantage of the ignorance of the suppliers, people lost money and didn't even know why, where or how. Gagnon's emphasis on engineering was marvelous and it's a legacy that's carried forward. Maida Napolitano has done some of the much more recent work on engineering approaches to warehousing and I think that she is a brilliant writer; a very good communicator. Somebody whose first language is Tagalog; she is a Philippine lady; so her first language is not even English, but she writes about engineering in a way that I can understand, which is a major accomplishment. But I think that Napolitano is carrying on the legacy of Gagnon who was a great communicator and a brilliant engineer, so that's the first person I think of.

STOCK: So, tied in with something you said earlier; you are very grateful that your degree in Princeton was not in business. This woman's background is in engineering. Do you think that a lot of the contributions that have been most significant in your discipline and in logistics and supply chain have come from non logistics, supply chain and warehousing people, at least historically?

ACKERMAN: I'm not sure. We have to face the fact that this is a very new profession. When I was a student there weren't any courses in logistics. I don't think there were any courses in physical distribution; they hadn't gotten there yet. When NCPDM was formed in the early 1960's, there were very few people out there with course work doing that; a tiny number. When Jim Heskett was on this campus, he was a transportation professor. You know the people who started teaching this are mostly still here with us, which shows us how young the field is. So I think it's natural that people came from the outside. I don't imagine that Burr Hupp, but I'm sure knowing how old he would be if he were alive today, he didn't study logistics or physical distribution. [It] didn't exist. He was just a very good learner and a very good communicator. So it's a new business and that's what makes it fun.

STOCK: So Ken, what do you think today is the most important issue facing warehousing, logistics and supply chain management practitioners?

ACKERMAN: I think adapting to a global economy, facing the fact that goods in distribution being move around are not being just moved around in the United States, they are moving around the world in both directions and that the places that they are being moved to will keep changing. Great emphasis on China today. I think some of that can swing back to Latin America, some of it could move to Mongolia or Lower Slobovia, who knows. You know, it's constant change as we progress with the global economy.

STOCK: Now Ken interestingly with the global issues being important, customer service, which as you know Bud La Londe and Paul Zinszer wrote the book for NCPDM in 1976 called *Customer Service, Meaning and Measurement*, was security issues and uncertainty issues, do you think that customer service is one of those things that will have to suffer as a result of that, even though it's been the focus of warehousing, logistics and supply chain management?

ACKERMAN: Your question is will the security issues hurt customer service? I don't think so. Do I have the question right? (Stock: Yes). They are different issues. Customer service involves simply communicating with your customer and figuring out what you need to do to help them. The security problem, which is certainly come to our attention in the last few days with the attempt to send explosives in from Yemen to the US, is a major issue, but my feeling is that we will figure out how to control those. We will keep figuring it out and I don't think that one has to impact the other. They are both challenges. I think a bigger question of customer service is how do you please customers across cultural barriers where they don't speak the same language, don't have the same expectations, and that's a bigger challenge.

STOCK: And how about sustainability? We are seeing for example, container ships that are slowing down speeds so it's taking longer to get products now. You can be 100% consistent with longer steaming times in terms of the service level being shorter your order cycle being shorter; that's not going to happen.

ACKERMAN: I find that slow steaming to be a bizarre situation. I can't believe that saves any money. They save a little money on fuel but they must pay that crew, so I can't believe that fuel costs more than the people, so I think that the slow steaming is a temporary strategy to create a shortage of shipping capacity and that a year from now it will be over. I don't think it's a permanent situation because it does not make economic sense.

STOCK: So as the man who's been an expert guru, Mr. Warehousing so to speak, what do you believe is the future of warehousing and supply chain management as we move forward?

ACKERMAN: It's always going to be here; it always has been. Earliest of history there has been writing about the importance of storing stuff going all the way back to the Bible and the nightmares of the Pharaoh and so forth and building of storehouses in Egypt, so it's always it's been here throughout recorded history and it always will be. As we globalize, and become more and more of a global economy, warehousing will change far faster in China or Mongolia than it does here. You mentioned sustainability, my friend Richard Murphy in Minneapolis, who both heads a warehousing business and is also a professor of landscape architecture, predicts that a growing number of warehouses will have live roofs, plants on the roofs, and has done some miraculous things with landscaping for sustainability in the public warehouse business where I'm sure his relatives who owned parts of the company don't want Mr. Murphy to waist their money. So what he does, he has to have a pay back, so warehousing will get more sustainable without losing its economic value. Murphy has proven that and others will discover it. I think that maybe one of the most exciting change situations in materials handling is robotics, and my friends at GENCO in Pittsburg I think are leaders in the development of robotics with some amazing experiments with vehicles that have nobody on them. There is a warehouse on the eastside of this city; the folks don't want to be identified and I respect that; that has conventional forklift trucks running around with nobody on them. We will never see, in my opinion, the lights out warehouse that the journalists like to write about. There will always be some people, but they'll be less of them. Many of the routine jobs will be done with robots, so robotics, globalization, and sustainability, all will be moving rapidly as we move ahead. I think we may also discover new ways of putting up buildings that are more

economical, perhaps more sustainable, but right now with an overhang of existing space, I don't think most people are worried about putting up new buildings.

STOCK: Ken, as we close this interview session, is there anything we haven't discussed or would you like to make any kind of summary or closing statement to the audience.

ACKERMAN: No, other than to observe that I think that the supply chain business is going to be a whole lot more fun in the next 20 years than it was in the last 20. I sometimes wish I could turn the clock back to be part of it and without any regrets though about the fun I've had with it. I think that the field will be far more international. It will have continuing change and I think continuing growth. So I think it's a good place to be.

Closing Comments

STOCK: I'd like to thank Ken for being a participant in this interview. As mentioned in the introduction to this and other interviews that we've done, these are available for public use. We will have them on the University of South Florida website; just contact me there and I will be glad to provide the web address where you can access both the video, as well as the transcript of the interview. So, we welcome you to hear Ken Ackerman and see him again, as well as the other interviews that we've conducted over the past several years. Thank you for your attendance.