

## **Transcription of Interview with Dr. James L. Heskett**

**STOCK:** Good morning. My name is James Stock, the Frank Harvey Endowed Professor of Marketing at the University of South Florida in Tampa. We are here today to conduct an interview with one of the luminaries in the academic discipline of 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 SCM academicians; a person who has had significant influence on the 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 forth. They speculate on what might have motivated the writer or the artist to write the book or paint the painting, to determine the message or the 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, as the late Paul Harvey said many times, we will attempt to get "the rest of the story!"

These taped interviews will hopefully serve as supporting material for various university courses where the various works of these academicians will 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 a set of structured questions using an interview guide. Of course, the interviewee's responses are spontaneous and they may lead into other questions base upon 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 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.

Dr. James L. Heskett is presently Baker Foundation Professor Emeritus at the Graduate School of Business at Harvard University in Boston, Massachusetts, although he now resides for part of the year in Sarasota, Florida. He graduated from Iowa State Teachers College in 1954 with a major in Business Education, and obtained a M.B.A. from Stanford University in 1958. His Ph.D. was completed in 1960 from Stanford University, where he concentrated in General Management, Transportation, Marketing and Finance. His dissertation was titled "Industrial Logistics: A Movement System Concept."

Upon graduation, Jim took a position as Assistant Professor at The Ohio State University in Columbus in 1960. He remained at OSU until 1965 being promoted to Associate Professor. He joined the faculty at Harvard University in 1965, later becoming the UPS Foundation Professor and then the Baker Foundation Professor. During a leave from Harvard, Jim served as founder and president of the logistics consulting firm, Logistics Systems, Inc., a subsidiary of the Ogden Corporation. All together, Jim has been a faculty member for nearly 50 years, teaching and conducting research in logistics, marketing, service management, general management, and entrepreneurial management.

In recognition of his professional standing, Jim has served on the Board of Directors for Office Depot, Limited Brands, and Intelliseek. He has served as a consultant to numerous companies in North America, Latin America and Europe. During his career, Jim has received numerous awards for his achievement, including the John Drury Sheahan Award (now called the Distinguished Service Award) from the Council of Supply Chain Management Professionals (CSCMP) for outstanding achievement in logistics and supply chain management. He received the 1992 Marketing Educator of the Year Award from Sales and Marketing Executives

International. Jim was also one of the early members of the National Council of Physical Distribution Management (NCPDM), the forerunner of the present-day CSCMP. He has served as a member of the Editorial Boards of the *International Journal of Physical Distribution & Logistics Management* and the *International Journal of Service Industry Management*, and several others. He has published a large number of articles in the top business and marketing journals including the *Harvard Business Review*, *Journal of Marketing*, *Sloan Management Review*, *California Management Review*, among others. He has authored or co-authored more than a dozen books in the areas of transportation, logistics and services marketing. He was co-author with Glaskowsky and Ivie of one of the earliest textbooks on logistics titled, *Business Logistics* (Ronald Press, 1962). Jim has published extensively in the marketing arena, including books such as *Marketing* (Macmillan Publishing, 1976), *Logistics Strategy: Cases and Concepts* (West Publishing, 1985), *Service Breakthroughs: Changing the Rules of the Game* (Free Press, 1990), *The Service Management Course* (Free Press, 1991), *Corporate Culture and Performance* (Free Press, 1992), and *The Value Profit Chain* (Free Press, 2003). His most recent book is a co-authored book entitled *The Ownership Quotient: Putting the Service Profit Chain to Work for Unbeatable Competitive Advantage* (Harvard Business Press, 2008).

Jim has made significant contributions to his university and the profession. His contributions in the development of HBR course materials, including cases and teaching notes are extensive. During his career, Jim has been involved in many executive development programs at the Harvard Business School as well as many international locations at universities and elsewhere. His articles, books and teaching materials have impacted literally thousands of students and business executives in North America and around the world.

Throughout his career, Jim has been a “value-adding” contributor to his university, his students, the countless businesses that have interfaced with Harvard University, and to scholars throughout the globe. 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.

**STOCK:** Jim, welcome to our university and we’ll be certainly pleased to speak with you today.

**HESKETT:** It’s a real pleasure to be here.

### Early Childhood

**STOCK:** So let's start with a typical question that is asked; when and where were you born?

**HESKETT:** I was born in 1933 in Cedar Falls, Iowa, a town near where I grew up. On a farm, an experience that I enjoyed but didn't want to pursue for the rest of my life. So my ambition was to go into retailing. I had an uncle who worked for S S Kresge Company back in those days and I thought he had a great job and I was planning to go into retailing after I finished college.

**STOCK:** Good. Is there anything as you were growing up on that farm that significantly shaped who you are today?

**HESKETT:** Well, of course, one's parents always shaped themselves. I had a father who worked on the farm in the summer and he worked in a factory in the winter, hustled a little pool on the side, and managed to make ends meet. And he always convinced me, first of all, that you should always pay your own way. And another thing was that you should always establish good credit. Even if you moved to a community, take out a loan, put it in a savings account, pay it back when it's due and not use the money. There were a number of influences of that sort.

**STOCK:** Ok, can you think of a personality trait that maybe drove you to succeed as you have done in your career?

**HESKETT:** Well, I've always wanted to pay my own way. And I suppose I've been kind of oriented in that fashion and driven to some extent to always make sure that there were productive ways of spending times and the like. Maybe to the detriment of entertainment or a few other things that I could have been involved in.

**STOCK:** Ok, very good. If we could speak to your parents today, how do you think they would have described you as a child?

**HESKETT:** How would they have described me as a child? I was an only child so therefore I suppose they might not have thought quite this way but I was a prince in some respects, as only children are—male children. My mother could be very nurturing at times

**and not so nurturing at other times. She probably would have described me as you know the pride of her life. My father would have liked me, I think, to spend more time on the farm and would have described me as somebody having a rather independent mindset.**

**STOCK:** Are there any specific childhood memories that you still have after all these years?

**HESKETT:** Oh boy. There are several. Pitching hay in a hay loft in the middle of summer in 100 degree weather, with that wonderful hay down your back. Driving tractors and things of that sort. And as I recall, my father was an amateur pilot as well; some of the most nauseating flights that I've ever experienced in my life.

### Grade School/High School

**STOCK:** Interesting. Now you mentioned going into college ultimately; let's go back a little bit earlier. Tell us about your secondary school background and did you go to school in the Iowa area and so on?

**HESKETT:** I started out in a one-room schoolhouse. And we had eight grades, and the little kids sat near the woodstove in the back in the winter. That teacher I'll never forget—Sarah Shriver—was an amazing person keeping all those eight grades learning even though she didn't teach me to read when I should have learned. Then I attended school in Cedar Falls, a college town and went to Cedar Falls High School where I do remember some of my instructors as being outstanding. A science teacher, by the name Anton Hofstad, who was incredible. A math teacher, Miss Rait, who probably taught me more math than I've learned in the rest of my life and in general a high school experience that I will never forget.

**STOCK:** What was your favorite subject in secondary school?

**HESKETT:** Oh, I suppose Math, I think. Algebra was always a great favorite we studied a little calculus, trigonometry and things like that. I loved it.

**STOCK:** Ok, did you get involved in any sports or other kinds of extracurricular activities?

**HESKETT:** Well, I wrestled. Being rather slight of build at that time and not having grown until I graduated from high school, I wrestled in the 95-pound category. And

wrestling was something you could do if you weighed 95 pounds; couldn't play football, but you could wrestle. I enjoyed that a lot, even though I didn't continue into college.

**STOCK:** Were you involved in any kind of school clubs or organizations?

**HESKETT:** Well, I liked to write and so I was involved in the yearbook. We had a newspaper, did a lot of shows, student shows both in terms of writing the shows and MC-ing and that kind of thing. Loved music and I was beginning to play professionally while I was in high school, so I also played in the shows--saxophone and clarinet--and had a very active existence.

**STOCK:** Have you continued with the clarinet and saxophone?

**HESKETT:** Well, I've continued the interesting music. I actually worked my way through college playing professionally in a variety of bands and the like. Traveled around the Midwest a bit, which didn't help my school work, but shortly thereafter went to the Army and since then I've never played professionally but still carry the instrument around and as a matter of fact in the last year or two I've started for the first time taking piano lessons, so something you can do in your semi retirement.

**STOCK:** Very good. Did you participate in any form of student government while you were in secondary school or high school?

**HESKETT:** I suspect I did; I can't remember accurately. I was involved in that sort of government structure.

**STOCK:** Now, you mentioned a few teachers in science and math. Was there one specific teacher that probably had the most influence on you?

**HESKETT:** Well, through that whole time, certainly the teacher who taught me to read. That was an important thing; I didn't learn to read until I was well along. I think was second or third grade, I don't remember exactly. I'd memorized up until that point and had managed to get by, by doing that. But Ms. Bartlett was the woman who taught me to read. But in high school I think my math teacher was probably as influential as any in the

sense that she was stern, not very forgiving, but she had just about the right discipline to teach math and we all liked her.

**STOCK:** How would you describe yourself as a student, both academically and socially?

**HESKETT:** Well, particularly in college, I was involved in a variety of activities. As I said I was working professionally as a musician; and I got a job managing a Dairy Queen, which I did for one or two years all at the same time. So I was trying to hold down two jobs. I wanted to pursue a pre-med course but was unable to sustain the work, particularly chemistry and that kind of activity. Moved to math, had trouble keeping up with my math homework, and was advised that perhaps a music major would be more appropriate for which I needed to learn how to play the piano--which I was unable to do at the time that I had available and ended up getting a degree in business education as almost the last resort after all of those other activities. So I suppose in college I'd have to say I was not a good student mainly because I was involved in too many activities.

**STOCK:** Now prior to college and secondary school, did you receive any specific honors or awards through wrestling or playing or any of those things?

**HESKETT:** I'm sure I've got some awards for music more so than wrestling. And I had the usual recognition for the journalism that I was involved in but none that really stand out in my mind. I did later from my Alma matter. I was at teachers college which today is the University of Northern Iowa. I later did receive a distinguished alumni award, which to me seemed a bit ironic given the academic experience I'd had when I was on campus.

**STOCK:** Interesting. Now, usually when people are growing up they have somebody either in entertainment or government or business, somewhere that is: "That's my idol, that's the person I would like to be like." Did you have anyone like that while you were in secondary school prior to college?

**HESKETT:** Well, I suppose during that period of time my uncle, the uncle that I mentioned earlier, was someone of that sort. He was a regional vice president of this variety store chain and he would take me on store visits with him. He walked through the store with a manager trailing behind taking notes as he pointed out all the things that

needed to be done and then as we got to the end of the visit he'd stop at the front counter and buy me a package of gum or something like that and for somebody like me that was about as good as I thought it could get. And he was a very vital person as well and a very outgoing person so he was in terms of personality he was much of a role model as well.

**STOCK:** Very good. Is there anything that people would find very surprising about you that perhaps you did or were involved in when you were in high school? Or perhaps even earlier?

**HESKETT:** Well, perhaps the music side. That's not something that I've played out or even mentioned or perhaps in other discussions. I've played in a variety of groups. I entertained briefly the possibility of becoming a professional musician until common sense got the better of me. But we traveled a bit, played in some pretty rough spots; Galesburg, Illinois was the roughest I think I've ever experienced. Nevertheless I think I was shaped by that experience in terms of developing a little more worldly view than that of a kid that grew up on the farm would otherwise have.

#### College (undergraduate and graduate)

**STOCK:** Now you've mentioned going to college--now University of Northern Iowa--were your parents supportive of you going to college and you mentioned holding down several jobs while you were in school. Tell us how you decided to go there?

**HESKETT:** Sure, well there was never any question in the family about whether I was going to college or not. I don't recall ever having really played a part in that decision. I think it was always assumed that I was going to go to college. My parents had between them one year of college; my mother went to a college for a year, my father hadn't graduated from high school, so they both viewed college as a very important thing. On the other hand, they didn't have a lot of money to send me to college. So in a sense, I received the responsibility in a way without necessarily the means to pay for it all. So that perhaps explains why many of us went to college three miles away from home. I lived at home for the first year and then I moved on campus or just off campus in a rooming house and that too was probably the more important part of my education than anything else because I lived basically with the football team and observed what went along with a fairly high profile group of people on the campus, but all in all there was never a question about

**college. I was to go to college. Graduate school was something else. I doubt that my parents ever really understood what I did after I graduated from college. Other than going into the Army; they may have understood that.**

**STOCK:** So you moved from home to a rooming house by campus after the first year. Did you belong to any fraternities while you were there?

**HESKETT:** I belonged to Sigma Tau Gamma fraternity and we didn't have a house so that didn't solve my housing problems. I was probably never the most active fraternity member but enjoyed the fellowship that went with it without the living experience that goes with a lot of fraternities. This was fraternity light--this campus didn't have fraternity and sorority houses.

**STOCK:** Can you think of ways that the college experience as an undergraduate student impacted or influenced you to go on for a Masters and then later a PhD?

**HESKETT:** Well, actually I had no intention of going on. But there were some experiences during those undergraduate days that really did perhaps plant some seeds. Those were the days of McCarthy and McCarthyism actually led to the dismissal of several faculty members at the university; some that were quite well known or well liked. I didn't happen to know any of those people but that spurred a lot of conversation and discussion among students (pro, con, what have you) and I began hanging out with a group that used to get together at the home of someone, the only member of the group that actually had a place large enough, and you could drop in, I remember, any hour of the day or night and you'd find a group in discussion about anything under the sun and for some reason that really did influence me. I took my girlfriend to this place once and she as my wife has told me several times that she had never experienced anything like that in college and was one of the things that sort of intrigued her about me, so I suppose that was an influence. I didn't realize it at the time.

**STOCK:** So in terms of your college experience and you did not anticipate, neither did your parents, going on beyond that. What was the triggering mechanism to get you to go on for the advanced degrees?

**HESKETT:** Well, ironically it was the fact that we had a draft in the United States at that time. I knew I had to go to the service, I was not reluctant to go but I didn't want to spend any more time than I had to. And at that time if you enlisted it was a three year tour of duty and if you were drafted it was two, so I made sure that I got drafted in a timely way shortly after college and I believe that by July 4<sup>th</sup> I was on my way to Arkansas. And the reason that the Army was the trigger point was that I had a buddy in the army that I had met in basic training and we kept in touch after we were transferred to Europe and he asked me what I was going to do after I go out of the army and I said I'm going into retailing, that's my dream. And he said well, after you get your MBA? And I said no. No, I didn't have any intention of getting a MBA, and he said, well, you are absolutely out of your mind. He said surely you're going to want an MBA. He said there is only one school and being from southern California for him, that school was Stanford. He said I've put in my application for Stanford and I've got an extra application right here and I want you to sit down and I want you over the next couple of nights. I want you to fill out that application and send it in. Well almost on a lark I filled out the application. To make a long story short, probably because I was from Iowa and he was from California, I was admitted and he wasn't, and it's something we've talked about for years. He passed away not too long ago but one of the last things we discussed was that experience of my getting in and him not. He went on to become CEO of Catalina Swimwear so he didn't do too badly, but in that way the Army really was that first step toward graduate school and graduate education.

**STOCK:** Interesting. In that MBA program, and we will get back to that military experience in a moment, but when you finally went to the MBA program at Stanford, after having been in the Northern Iowa curriculum and sort of moved around across various areas of interest, what made you choose the area of business that you probably concentrated on during the MBA?

**HESKETT:** Well, when I arrived on campus I had no money and no job. I had a couple of months left in the summer so I did gardening work. I carried out groceries and saw a notice for a secretaries job for a professor named Gayton Germane who was the director of something called the Transportation Management program at Stanford. Having trained in the army to be a stenographer of all things in a criminal investigation detachment, he being

**a military person thought that this might be a great choice. He selected me for the job and naturally I became familiar with what he was doing in the field of transportation which influenced what I began to study and ultimately with his encouragement, what I investigated during my doctoral work as well.**

### **Military Experience**

**STOCK:** Now back to the military, were you getting the GI Bill while you were going to Stanford?

**HESKETT:** Absolutely, without that GI Bill I would have not been going to Stanford.

**STOCK:** When you were in the military, what rank did you achieve while you were there; I assume you were enlisted since you were drafted and how did you get into that sort of stenographers position in the military?

**HESKETT:** Well, being a draftee there are many unusual stories about how you end up doing what you do. I guess my ambition was to play in the Army's band and so during basic training I auditioned and was accepted; that was no problem, having played professionally I was ready. But you can be ready in the Army, but if there are no openings during the particular week in which you matriculate from basic training you can find yourself in a totally different kind of occupation. So very quickly I found myself in what was known as clerk typist school I believe and did so well in clerk typist school that I was sent on to the stenographers adjutant general school in Indianapolis which was a nice long program where we learned stenographic skills that I've never used since. I'm a whiz at Gregg's short hand; at least I was at the time I came out of the Army. As a result, I didn't aspire to rank and I think I came out as what was known then as an SP3, which is probably the equivalent of a corporal, one rank above the rank that I received when I was drafted.

**STOCK:** What's your most fond memory of the military?

**HESKETT:** Well, I think the fond memory is the relationships with other people that you form. Being drafted we had a highly diverse set of people. These were not people who would have selected themselves into the Army. There are characters that I will probably never forget. But I think discipline; I probably needed a little of that. Things as simple as

**making your bed and keeping your area policed around that bed which probably influenced the way I have behaved ever since. But then there was also the aspect of travel and I think the Army gave me a much more worldly view that I've never lost. In fact, it sort of paved the way for a lifetime of travel and an attempt to understand what other people think, speak, and eat, all that sort of thing.**

### Career

**STOCK:** So in sum it would appear that you view that as a very positive experience in your life.

**HESKETT:** I wouldn't have missed it for anything. Wouldn't want to do it again necessarily but I wouldn't have missed it for anything.

**STOCK:** Now, you mentioned going from the military into the MBA program at Stanford and working with Gayton Germane who was one of the early people in logistics starting on transportation. You mentioned his influence working for him as sort of a secretary. How did he influence you to concentrate in your area of study?

**HESKETT:** Well, it was a short step from working with him as a secretary to working with him and his protégé, Nick Glaskowsky, as a case writer preparing materials. Since they have been very good about making sure that I became acquainted with some of the members of the executive program class in the transportation management program, they suggested that maybe I follow up with some of those people and explore the possibility of writing cases. There were some other people that were also encouraged to join this group; a guy named Bob Ivie who later became head of United Vintners, a large wine producing organization in California; a fellow named John Morgridge, who later became CEO and chairman of Cisco Systems in the 1990's. In other words, a group of people who interacted in ways that sort of led to an expectation of bigger things and I think Gayton Germane really being a young successful member of the Stanford business school faculty instilled in us the idea that you can do anything; this place is wide open as an opportunity and you ought to take advantage of it.

**STOCK:** Ok, so based upon that MBA experience and working with Gayton Germane that was sort the catalyst to get you going for the advanced degree?

**HESKETT:** He took me aside and suggested one day that I consider going on for a doctorate. I think my first question was I don't know what that means and he described for me what the life of an academic might be like and expressed confidence that I could complete the program. He provided the inspiration. He was an example of what one could do at a young age; at an age that seems young now. He was the spark that moved me forward. He would be one of the few people in my life who really influenced the course of my work.

**STOCK:** So, no regrets leaving that retailing career behind that you had anticipated?

**HESKETT:** Oh yes, a lot of regrets. I've regretted that all my life. In fact, only through my board work have I been able to get back to it. I've served on the boards of companies called Brooks Fashion; that goes back a ways, Office Depot, and Limited Brands. I'm partial to retailing in that respect and I suppose that's been a way for me to work out the frustrations of never having been able to get into the store and manage one.

**STOCK:** So in this doctoral program that Gayton Germane got you interested in being a professor; how did you get that first academic position?

**HESKETT:** Well, in those days you were not supposed to write letters on your own behalf. There was a philosophy at Stanford that it didn't even make much difference if you went to the academic meetings that what was really important was that you have a sponsor writing a letter on your behalf. And I had a fellow name David Faville who was a professor of marketing at the school at that time write some letters on my behalf. Gayton Germane wrote some letters, probably made a phone call or two and I ended up with as I recall three offers from that process: the University of New Hampshire, the University of Michigan, and the Ohio State University. I recall going up to the University of New Hampshire during something called the winter carnival up there, getting off the train and stepping in a five foot snow bank on a campus where it seemed to me the students were almost as cold as the weather so that was one of my experiences and so my major choice was between Michigan and Ohio State.

**STOCK:** How did you make that decision?

**HESKETT:** I made the decision I think based on my interaction with the people on both of those faculties. I think they were both quite hospitable although I must say that there was a feeling of warmth at Ohio State that sort of encouraged me to want to join that faculty even though I think it was the lowest of the three offers that I received. I'll never forget the starting wage at that time it was \$7,200 and I thought that was sure a bit of a sacrifice from \$7,600 or whatever Michigan had offered, but I was willing to give up the \$400 for the collegial atmosphere. And, at Ohio State there were people like Bill Davidson, Art Cullman, and Ted Beckman in the marketing group at that time who were particularly welcoming. There was no one in logistics so I didn't have anyone to welcome me. A course in transportation was being taught by a motor carrier executive; a fellow named James Riley. They called him Ralph, Ralph Riley, who always claimed that I got his job. I think he was always joking about it, I was never quite sure. Nevertheless, it was a collegial atmosphere there.

**STOCK:** So when Ohio State hired you, did they hire you specifically to teach the transportation course plus other marketing courses? What was the specific position that they wanted you for?

**HESKETT:** I was basically to teach that course and to teach marketing as well. At Ohio State as many other schools, there was very little concern about how you taught or what you taught. As long as it was within the subject area, you were basically king. In my case, king of your domain, so I was able to teach transportation, but slowly bring in the logistics material as well. In marketing I believe I taught a basic marketing course and MBA marketing as well.

**STOCK:** As you mentioned, over viewing your career, in 1965 you took a leave to form this logistics-consulting firm. What was the motivation to do that? And then subsequently going to Harvard, as opposed to staying at Ohio State?

**HESKETT:** Well, let me just correct the sequence just a bit. I did leave Ohio State but I took a visiting position at Harvard and it was during the time of that associate professorship essentially which extended for several years that I actually took the leave to head up this group called Business Logistics. So I had in a sense moved geographically and

established this group in Cambridge, Massachusetts. My colleagues thought I was out of my mind. It was an opportunity that came along. I suppose I've always had the desire to be a practitioner in the back of my mind and this was an opportunity to put together a group to do some consulting in logistics. because I was up for tenure and full rank during the time that I was away from campus. So that was not considered by my colleagues at Harvard to be a good move, a wise move. I had one close colleague a guy named Bob Buzzell who had taught at Ohio State. I had just missed him there and he advised me not to leave at that time. I said, well you know Bob, they are either going to promote me or they are not, based on what I've already done and this is something I would really like to do. So I was actually promoted while I was away from campus.

**STOCK:** Now its interesting Jim, you used the term Logistics and we know at that time most folks thought Physical Distribution; the inbound side was really not considered. When did you transition from that Physical Distribution to the Logistics component?

**HESKETT:** Well, my thesis was called Industrial Logistics so I guess I was thinking of it early on and if I pulled that thesis off the shelf, I think I have a diagram in there of the inbound and outbound processes and I really sort of thought about it in that fashion. Maybe it was the military background or Gayton Germane that encouraged me in that regard, I can't remember, but I've always used that term even when we were obviously in the early days of the council--National Council of Physical Distribution Management (NCPDM). It always seemed to me that distribution was one side of the coin but there was another side as well.

**STOCK:** Very good. Now when you look back at Ohio State and the majority of your career was at Harvard, of all the things you've done, and there is quite a number of those, what do you think from your perspective was the most significant?

**HESKETT:** Well, I think there are probably those of us who do things like this, as you do, that are probably the least qualified to name the most significant. The one that probably has had the biggest impact on my career given the fact that about the first half of that career has been in logistics and the second half in service management, I think probably the most significant for me was putting together a set of ideas that had been posed by

others into something I called the service profit chain going back in the early 1980s. I was actually sent to Switzerland to close down an executive program on behalf of the Harvard Business School and sitting in that office over there for a year upon the mountain side, with the cows looking into the window, I had a lot of time to think about things and basically put together this set of ideas that resulted in a book that I wrote called *Managing in a Service Economy* that outlined a couple of things. First of all, a strategic service vision; a kind of a framework for thinking about strategy; and then this set of relationships in which basically employee satisfaction, commitment and loyalty drive customer satisfaction, loyalty and commitment, which in turn drives profit. The relationships weren't proven until later, that is mathematically, but it seemed to me that was the right set of relationships and it has provided another 20 years of research, which for an academic is like red meat I guess.

**STOCK:** So Jim, if you look back at your career and while you are still involved in working, what do you think will be viewed by others as your most significant contribution?

**HESKETT:** Well, I suspect it is probably this work around the service profit chain. I have the feeling that what I did in logistics was not nearly as significant as what some of my colleagues at other schools had done. Some of the earliest influential thinking in the field for me was a study that was done in 1954, ironically at the Harvard Business School, on airfreight and total distribution.

**STOCK:** *The Role of Air Freight in Physical Distribution*; by Lewis, Culliton, and Steele.

**HESKETT:** James Culliton and a guy name Steele, right. I don't think I ever met them. But that was influential for me. I suspect it was influential for a couple of guys at Michigan State: Ed Smykay and Don Bowersox who then came out two or three years later with what I thought was a terrific book, *Physical Distribution Management*, and that was in sync with what I was doing in my thesis work at that point. I hadn't finished my thesis. Their book came out in 1959. I'm not quite sure but it confirmed in many ways what I was thinking about and certainly influenced Nick Glaskowsky, Bob Ivie and myself when we did our first book in business logistics, which was 1962. We were not pioneering much of anything in terms of ideas but extending ideas that were being developed I think quite rapidly and successfully by people on other campuses.

**STOCK:** Now you mentioned that at Stanford you meet Ivie and Nick Glaskowsky and so forth. How did that relationship continue after Stanford, particularly into a book?

**HESKETT:** Well, Nick had moved on to the University of Minnesota I believe and we continued to correspond. I went back to Stanford to teach in a summer program, so there was still some relationship there and we decided that my thesis I believe might contain the seeds of a book but it was not publishable the way it was written and so we actually went about this in a very workman like way. We rented an office in Menlo Park, California, and Bob, Nick and I had office space and we literally sat there writing chapters and passing material back and forth for a summer. I believe it was the summer of 1961 if I'm not mistaken and essentially hammered out the book that was then published in the subsequent year. We've since drifted apart. Nick has retired. I've lost track of Bob, but for those few years we did maintain that relationship.

**STOCK:** Now, did you have a book contract or was that something you submitted to Ronald Press and others after the book was written?

**HESKETT:** I think we had a contract and I can't remember how that process came about. But I don't think we wrote a manuscript and submitted it.

**STOCK:** Now, as you look at your career and again we know you are still active; is there something that at this point of your career you say "I wish I would have done this?"

**HESKETT:** Oh, there are a lot of things that I can say I wish I had done. I wish I would have written that Smykay and Bowersox book for one thing or the Lewis-Culliton-Steele book for that matter. But I suspect I would have liked to and I may still have a chance to correct this, I would have liked to have done more in the corporate culture and performance area. I did the one piece of work with John Kotter and it was of the sort that I like to do that is actually kind of putting together a systematic anecdotal research based on database examination, which that book was all about. I think there is still a good piece of work to be done in that area but that is sort of the latest thing that I wish I had done. I wish I had written *Built to Last* or *Good to Great* as far as that goes.

**STOCK:** Yes, very interesting books. You mentioned Gayton Germane in the Masters and PhD programs being a mentor or influencer. Did you have a mentor while you were a faculty member?

**HESKETT:** I had several at Ohio State. I think clearly Bill Davidson, and Art Cullman were quite affective. Stayed in touch with both of them throughout Art's life and still I'm in touch with Bill Davidson in his retirement. Lou Stern was not so much a mentor as a close colleague; we did some writing together. Lou went on to Northwestern. So, there was a real supportive atmosphere at Ohio State that helped me I think do what I was able to do. At Harvard, I think the role of mentor was passed on to in a sense to the then Dean George Baker. Gayton Germane had been a student of George Baker's and Gayton essentially provided the introduction if you will that probably let to my ultimate appointment. But after I arrived at Harvard, George Baker continued to provide advice in his fatherly stentorian brahman tones. I'll never forget one day he called me in and he said something I'll never be able to understand. He said you've completed the requirements for a full professorship but you are too young and you are going to have to wait another couple of years. I never quite understood that.

**STOCK:** Interesting philosophy that still exists I believe. In terms of people, events, all those things, what do you think was the biggest and most significant event that took place as a faculty member that has influenced you?

**HESKETT:** Oh, I think there been many but I suppose the offer from Harvard for this reason. First of all it enabled me to do more and I think better work in the whole area of case development because of the orientation of the school and the fact that is a school with not many limits on resources. The limits at that school are time not money, and you can basically do what you are capable of doing. Availability of resources is not an excuse up there and I think that probably has influenced me. But of course that wouldn't have been possible without Ohio State.

**STOCK:** Now do you think in terms of the way you have conducted your professional life, have you done that with some basic mission statement, creed, or philosophy?

**HESKETT:** Well, I basically operated from a 5-year plan, which hardly turn out to be the way you planned. I've played a long term administrative role at the Harvard Business School and I probably would not have had that in my plan up until the time I was asked to become a part of a track that led into administration. At one time I was the Senior Associate Dean responsible for all the academic programs at the school which probably was the biggest job I had during this time. But over a period of at least 15 years, I played a major role in administration that factored into the plan going forward. I think the idea has always been to plan in terms of courses, in terms of influencing students and various phases of this career have been chunked out in different areas. I'm sure there was a conscious decision to move from logistics to services for example; and then coming out of retirement. In 2002, I then had a 5 year chunk in entrepreneurial management so I suppose in a sense if I went back there would be a pattern there and certainly there was conscious planning.

**STOCK:** Now you mentioned Harvard with sort of the limitless resources. Do you think that was the ideal job for you or could it been something else?

**HESKETT:** Well, certainly it could have been something else but one reason why it was ideal was that on the one hand, we had courses in which there were teaching groups that worked closely together and they helped me learn the ropes; first year marketing was one of those courses. On the other, I was teaching this second year logistics course which was mine and so I had both the structure on one hand and I had freedom on the other and over the years it was the freedom I think that I really came to value. As people say, you make your own way there; there isn't a lot of instruction. So, the relatively free form environment; I think it appealed to me.

### Family

**STOCK:** Now Jim, shifting gears for a moment, in some of your early comments you mentioned some interesting terms: being a prince then a king. You mentioned taking your future wife to a professors home with discussion groups and so forth. I want to talk a little bit about the personal side of Jim Heskett. Tell us a little bit about your family, your wife; do you have children? And so forth, what are they doing?

**HESKETT:** I met my wife in college; I think it was during my senior year as a matter of fact, maybe a little earlier. I went off to the Army and upon arriving in Europe and seeing what great possibilities there were there I wrote back to her and invited her to come to Europe and get married so we were married in Austria, and we had a church wedding in Germany.

**STOCK:** So you proposed through the mail.

**HESKETT:** I proposed through the mail. As a matter of fact I think maybe I proposed in Indianapolis; I'm not sure, but that was kind of an indefinite engagement as I recall and I actually wrote a letter from Europe and said why don't you come over. That was 54 years ago. We were married in 1955 and we've had 3 children; a daughter Sarah, a son Charles and a son Ben. My daughter Sarah is a librarian and lives in Cambridge with us, not with us but she lives in Cambridge, Massachusetts. Our son Ben is an entrepreneur out in San Francisco in kind of the high tech world and our son Charles is in a buyout firm in New York with good buyout opportunities and very little credit available to engineer the transactions. We've lived in and around Cambridge and Belmont, Massachusetts during most of that time after having moved from Columbus, so we've had a wonderful life together. Still are and enjoy combining a little work with a daily walk on the beach.

**STOCK:** I've noted that in several of your books you've dedicated them to your wife.

**HESKETT:** Yes.

**STOCK:** Now when your children were small and growing up, what was your main goal as a parent for them?

**HESKETT:** Well, as most of us have experienced, children can be pretty rebellious and Marilyn and I decided fairly early on that our main goal was to remain friends with our children for their and our entire lives, and that is what we've really tried to do. I think we are on track but one never knows for sure.

**STOCK:** Some have said that children go through rebellious periods, but then by the time they turn 30, they come back.

**HESKETT: I think that's true to some extent.**

**STOCK:** So when you look at your children, none of them are involved in your profession; they are doing other things. What do you think was the biggest influence you had on them?

**HESKETT: Well, I would hope it really had to do with certain amount of integrity and a responsibility toward others, the value of close friends and maintaining the quality of those relationships. I think, I would hope maybe a work ethic. There were a lot of days when I was out early and home late or not home at all. We've both experienced those on travel days and the like, but nevertheless an effort not to be gone for more than a maximum of 2 or 3 nights. We arrived at that goal pretty early on and to try to be there for dinner at night, which turned out to be I think a very important element of what we did. Also breakfast, but breakfast was always more helter skelter with kids going to school and so on. Nevertheless, a certain regularity and a certain kind of level of integrity in ones life I hope.**

**STOCK:** Now if I could have your three children here and ask them this question, how do you think they would answer and the question would be: "Describe your father." What would they say?

**HESKETT: That's a good question; it would probably be based on what they've observed. I think they would say maybe not in these words but strongly devoted to our mother, supportive, intolerant of chaos. They have seen me at the immigration entrance in the Dallas Airport try to organize crowds of hundreds of people into orderly lines. Well, they were cringing over in the corner; embarrassed to death.**

**STOCK:** Were you able to do that by the way?

**HESKETT: You know it's amazing what one or two people can do. Yes, in a milling crowd if you say stop, people will generally stop. I think that those are some of the things they would say.**

**STOCK:** Now looking back at your parents and you as a parent, do you think you were more like your mother or your father as a parent to your children?

**HESKETT: I think probably more like my father. He's more straight forward, a person with fewer words but the words count; that sort of thing. That was what my father was all about. So I think he probably was a greater influence on me than my mother.**

**STOCK: Now we mentioned talking about Marilyn several times and you mentioned going to discussion groups at the faculty member's house; how did you first meet her and I'm assuming that was not your first date with that discussion group?**

**HESKETT: No. I saw her across a room in a fast food restaurant and appealed to a friend who was actually going with one of her friends to set up a blind date for us so the four of us went to a Louie Armstrong concert. Actually it was a dance, although we didn't dance as I recall and that was our first meeting. So I literally met her at the door of her dormitory; that was when we first met.**

**STOCK: Very good and 54 years later it still continues.**

**HESKETT: It's amazing how these things happen isn't it.**

### General Historical Questions

**STOCK: Now, some general questions. You are a well read man and you've been involved in lots of activities and so forth; if you could live in any historical era of the past, when and where would it have been?**

**HESKETT: Well, I think one of those times would have been Paris in the 1920s or maybe in the 1890s during the time of tremendous cultural development and discussion and the like.**

**STOCK: If you could be anyone in history, who would you chose to be?**

**HESKETT: What a question.**

**STOCK: Well, there is no wrong answer. The kind students love.**

**HESKETT: Well, I suspect it would have been pretty hard to match Abraham Lincoln on that score for all kinds of reasons that are probably reasonably apparent.**

**STOCK:** Ok, and if you had an opportunity of meeting any historical person that would have lived, who would that have been? And sit down for an hour and just discuss.

**HESKETT:** Well, in this regard I will give a really idiosyncratic answer because I was being a Jazz musician and there were certain giants in that field that nevertheless were extremely well versed in a variety of topics and on my instrument, Charley Parker was one of those icons who I never saw perform so I'd give a lot to be able to sit down with him for an hour if he'd say anything to me.

**STOCK:** Oh, I'm sure he would have lots to say from his experiences.

**STOCK:** Now from Jim Heskett the person, we've talked earlier about a number of areas, other than being a musician, is there any other what we call intriguing fact or little known information about Jim that people would like to hear?

**HESKETT:** Well, I suppose another would be the devoted Red Sox fan. We try to be at opening day no matter where they are playing. We didn't make it to Tokyo last year but have made it to several other cities in the United States and maintain a part of a season ticket, which is administered by a marketing colleague that you may be familiar with a guy named Steve Greysen who is an equally strong Red Sox fan. And a ticket that we have owned probably for 35 years so which is the way these tickets tend to work with the Red Sox. So, very devoted Red Sox fan with at least one son who is equally devoted.

**STOCK:** So in looking both personally and professionally, if you had to limit yourself to one answer, what in your life would be the thing you were most proud of?

**HESKETT:** Well, I think maybe it is the body of work in several academic areas. One might say you know, why didn't you work on one during your life time and really do a good job of it?, but what I really tried to do is to develop some bodies of knowledge in at least two areas that may have some longevity.

**STOCK:** As you look back, you've been highly productive your whole career in terms of articles, books, presentations, case studies and so forth. Would you have done anything differently at this point?

**HESKETT:** Well, I can't think about anything that I would have done differently. I'm really excited about not only the way things have gone, but the way things are going now and I don't have any significant regrets that would lead me to say that there is something I wish I had done differently.

**STOCK:** Now at some point in the future, when there is no Jim Heskett any more and we hope that's many years in the future, how do you think people will remember you?

**HESKETT:** Well, I've always joked that I'd like to have on my gravestone; "He came out even." I suppose we are remembered to some extent by our children so I would certainly want them to have the greatest success. In terms of ideas, I suspect it would be contributions to the field, one or two contributions to the field of logistics (total cost analysis work) or the service profit chain ideas in service management that would have some enduring use to someone. Recognizing the fact that you know ideas go out of fashion very rapidly.

**STOCK:** Yes, they do.

#### General Information and Perspectives

**STOCK:** Now, its hard to believe you might have spare time, but all of us try to make time for hobbies or recreation, what do you do in your spare time?

**HESKETT:** Well, I like to garden if there is a place to garden and that's a community activity, that's something that Marilyn likes to do. Obviously I do a lot of reading, some for pleasure, but actually all of it for enjoyment. If I had the opportunity and the space I would build a model railroad, something that I had planned to do for years. I get *Model Railroader* magazine every month and read it and salivate and think about what I would do if I had the place for something like that. And obviously I enjoy music and practicing the piano and things of that sort, and languages. I'm interested in languages I suppose related to travel destinations.

**STOCK:** So you must have developed the interest in railroads while you where in transportation with Gayton Germane?

**HESKETT:** I suppose, but I had a Lionel train when I was a kid growing up, so this goes back a ways. My father couldn't wait until I was 4 or 5, whatever the age was, too young to have a model railroad, toy train, so it was for him I think; not for me.

**STOCK:** You mentioned relationships and people and other things, what role do cultural things, religious activities, interfacing with friends and colleagues; what role do they play for Jim Heskett?

**HESKETT:** Well, obviously the kinds of activities in which you can exchange ideas are very important, so that involves friends and we were fortunate in having friends all over the world so when we travel we can generally reconnect. Those kinds of relationships, experiences with our kids; the kinds of things that occur in community activities, I've been the Director of the community music center of Boston and a charity called the Window Shop. Some other activities in and around Boston and those all engage us with a number of other people too. My wife is on the board of a school called the North Bennet Street School and that's another kind of community to which we relate. Our condominium on which she serves as a board member which brings us in closer contact with our neighbors, so it really involves ideas and people.

**STOCK:** Ok, as you look back at your career; 40 plus years in academic environment, what would you say are the main lessons you've learned?

**HESKETT:** Well, first of all I think you have to be yourself; you have to march to your own beat. If you wait for others to define your career for you, you can wait a long time and as you well know you won't have a very successful institutional life in the kinds of activities in which we engaged. I think that the whole idea of carrying your own share of the load in terms of an academic community is really important. Doing things that you really enjoy doing and are excited about getting out of bed in the morning to do is really important because those who are doing things because it requires the equivalent of jumping through a hoop are not enjoying it will communicate that; it will be reflected in their work. There are probably many other bits of advice but I think you really have to be quite assertive in following those ideas about which you can really get excited.

**STOCK:** Now some people look back and see “turning points” in their lives; it could be job change, military, birth of a child, marriage. What would be the “turning points” in Jim Heskett’s life?

**HESKETT:** Well, I suppose the biggest turning points were the point in which my Army buddy advised me to get an MBA which was preceded by my parents assuming that I would go to college and followed by the advice from Gayton Germane that I get a Doctorate and follow an academic career. Those would probably be the three biggest turning points for me.

**STOCK:** Unrelated, just a curiosity question, did your Army friend who eventually was head of Catalina, did he get an MBA from somewhere else?

**HESKETT:** No, he did not ever pursue his MBA; didn’t seem to have suffered very much.

**STOCK:** No I’m sure not.

**STOCK:** As you know, here at USF and Harvard have a Ph.D. program. What advice would you give Ph.D. students today?

**HESKETT:** Well, again I think in a world of complexity that we are engaged with today there are huge numbers of opportunities for research that really mean something and the advice that I would give a Ph.D. student is to keep your eye on the goal; that is, to finish, but at the same time, to select a dissertation topic and a research pattern that is well structured but also one about which you can be excited, because there are days when excitement going to pull you through and allow you to survive. Try to do something useful but not save the world at the level of the dissertation, because you have to remember to serve yourself as well.

**STOCK:** Now, when you and I entered the academic arena, you much earlier than me, the environment was different. What would you say were the most significant changes that have occurred in the academic arena since you began your career?

**HESKETT:** Well, in the academic arena it seems to me that at least in business schools we’ve become more closely engaged with the community that we study in all kinds of ways. We’ve probably given greater credence in recent years to empirical research and in some

cases anecdotal research. When I first entered the academic world it was the world of the Ford and the Carnegie studies and if you weren't quantifying and dealing with quantitative methods you were basically a nobody and so we developed an entire generation of faculty that were highly theoretical in what they did. Because empirical facts, this is perhaps a cynical statement, I think sometimes impinge on the theoretical research that they were doing and obviously made it messier too. I think we grew out of that and we're probably much more balanced here and now. I think the tyranny of journal publication is still with us which has led to some pretty esoteric work on the part of some people but it strikes me that in general, business schools are better grounded than the world in which they work and live and the world that we need to understand.

**STOCK:** Now Jim, thus far we've been talking about issues that we've discussed in all our taping sessions with the men and women that I've talked to and will talk in the future. Some specific questions to you based upon your interests and background. Coming out of a marketing area, where you were in both in your program and in the academic world, what caused you to bridge both logistics, and then the services marketing arenas; how did you move from that?

**HESKETT:** Well, first of all, I think I had a natural interest in marketing because of that interest in retailing that I took with me into graduate school and that led to a doctoral area in marketing. Those were the days when you had to have four areas, two languages and probably some other things that don't necessarily exist today. The transportation interest was something that I acquired on arriving at graduate school and I suppose as I went through my MBA studies and into the Ph.D. program it occurred to me that they really were so interconnected that there had to be a good topic, a good area of study there, and fortunately for me, it was early enough in the whole transformation that I didn't have to do a huge empirical study. I could do something that was more conceptual and try to help define a few ideas and how they related to each other. And that led me to this interest in, I suppose what we now call distribution, but it was more supply chain management really, and an integrated approach from source to customer. It was certainly the interest of my mentor combined with my own interests that led me to this topic; the idea of putting these ideas together.

**STOCK:** Ok, early on you were the recipient of what is now called the Distinguished Service Award from the organization that would first start as the National Council of Physical Distribution Management. How did you get involved in that early logistics group?

**HESKETT:** Well, I have a fuzzy memory. I was not a founder to my knowledge. I don't think I'm on that list. I believe I at least attended the second meeting of that group. By that time it was a full 25 strong or so I don't remember many people being there. Most of them were academics but there were a few practitioners there. I believe that 4 or 5 papers were actually presented at that meeting. We had a paper bound proceedings as I recall. I may still have a copy of one of those and at that meeting of course I met people like Ed Smykay and Don Bowersox and some of our mutual friends. One thing led to another and after several years I had presented at several of the meetings and we actually then developed an administrative structure. A guy named George Gecowets, you remember George. George and I hit it off pretty well and I believe I was program chairman if I'm not mistaken for the 1970 meeting. I believe it was in Philadelphia. One thing I remember about that program and the one thing that George never let me forget was that I engaged a speaker that I'd been in contact with through some work on the Kennedy Foundation which was for Special Olympics and that sort of thing. Well, the guy somewhere down here who had basically a pyramid selling scheme which had been very successful and I'd seen him give a talk, called "Dare to be Great," and invited him to give this inspirational talk to what was then the National Council of Physical Distribution Management. Among other things, in the middle of his speech he would jump up on the head table and engage in some cheerleading activities. I believe the fellow ended up doing a jail term several years later. I don't remember and George said he had never forgotten that particular session. There were some association activities; I guess some of the general writing. I served on a couple of committees, and I think we helped formulate some ideas for research, that sort of thing, that may have led to the nomination. And I think they had given it to the other early academics in the process and maybe I was one of those left over. It was 1972 or so; I don't remember.

**STOCK:** Ok, are there any other professional organizations that had been influential and important in your career?

**HESKETT:** Well, I suppose the American Marketing Association. I appeared on several of their programs early on and have obviously been influenced a lot by members of that organization and publications of that organization. I have not been an active member of any other associations. I've really chosen instead to serve as on the editorial boards of some of the professional associations, publications, such as *Journal of Marketing Research*, *Journal of Business Logistics*, *Journal of International Service Management*, and so forth. I have decided to sort of try to contribute in that fashion.

**STOCK:** Now as you look at logistics and some people would say supply chain management profession of today, what do you envision its direction being?

**HESKETT:** Well, in a general sense it seems to me that as we are going to be in looking into the future we are going to be dealing with issues related to certainly the entire supply chain from origin to final destination and it seems to me around a couple of areas. Certainly information, that is, the impact of information on the effective performance of a supply chain. I did a simulation back in the 1960s, it was basically a simple classroom simulation, collected some data and concluded that knowledge of inventory throughout the chain had the single biggest beneficial impact on the performance of the entire chain so at that time we really didn't have the capability to manage the information through all the players in the chain along with the inclination to share it. I think we certainly have the capability today, the inclination to share it seems to me is perhaps growing if we can prove that it has beneficial effects. And I think probably one big trend in this field will be in sort of comprehensive studies of the impact of information availability on management decisions in the chain. That one of the things that interests me about the board, the one board that I do sit on, in Limited Brands, because we have control of the entire channel from source to ultimate customer and have spent a very large amount of money to develop the capability to manage that inventory through the entire channel and are just now realizing the advantages of it and these are advantages that could be realized by independent companies operating together for a more effective supply chain. I think the other side really has to do with technology going forward and the impact of technology on what we do in the supply chain and how we plan for various configurations. Obviously energy and the use of energy efficiency as an objective of certain studies would be

**important which leads us into new technologies as well. We are going to be, I think, focusing on the interplay between technology and human inputs; that means the kinds of jobs that people are going to be doing in the supply chain will be changing. The way in which they interrelate with technology will be changing so it's going to impact not only our research but the way we train people to go into the field. It no longer matters whether you can read a tariff, I think as opposed to understanding the complexity and the possibilities of the effective use of technology.**

**STOCK:** One last question, have you ever wished that you could be 30 years old again knowing what you know now, in order to be part of this future of supply chain management, sustainability, all the other things going on in marketing and distribution.

**HESKETT:** Well, I think this is, there is never been a more exciting time in terms of the size of the challenges and the possibilities for meeting them. This next generation is going to encounter challenges that we've never even thought about, but at the same time I think we will have the technology, the information, one would hope the policies, with which to cope with these problems and challenges. And it seems to me this will be an extremely exciting time to search and teach and learn, that we can only sort of imagine at this point. Think of it, 10 years ago we didn't have email for example. It seems that if things are moving exponentially if they continued to do that, think what this world is going to be like 10 years from now.

### Closing Comments

**STOCK:** Well Jim, thank you very much for sharing with us something that we won't see in your textbooks and articles, the other side of you as a person. And we hope that the audience has gotten a richer view of not only Jim Heskett's publications, books and articles, but also the man behind those writings. Thank you.

**HESKETT:** Thank you Jim for having me for this interview.