

INTERVIEWER: Today is October 28th, 2009. I am Karen Arenson. We are talking with Jim Champy, a 1963 graduate of MIT, who has probably had more of a hand in shaping MIT's current leadership than anyone else. Jim is chairman of Perot System Corporation's consulting practice, a life member of MIT's Corporation and a member of its executive committee since 2001. He first became a member of the Corporation just six years after he graduated from MIT when he was in his 20s, before the Corporation had a specific program to elect recent graduates. He also worked at MIT for several years in the 1970's as executive vice president of the alumni association. More recently, he chaired the search committee that brought Dana Mead in as MIT's chairman in 2002. And the year after that, in '03-'04 he led the Corporation committee that recommended Susan Hockfield as president. Thank you for talking with us.

CHAMPY: Good to be with you today.

INTERVIEWER: As a management consultant and author, one of the topics you've focused on is good leadership. What makes a good leader?

CHAMPY: Well, Karen, you know in a contemporary sense and almost in a classic sense, a good leader always is able to inspire the people around them. Certainly articulate and clear about the direction of their enterprise. Has a great sense of vision. And to a great degree can get people to follow. But I think those characteristics don't exactly fit the need of a leader of particularly a large research institution. Because a large research institution is, to a great deal, run by its faculty. And so a president or chairman of the Corporation who believes they can lead to the faculty would not be well served. Nor would MIT in that sense.

And so what makes a good leader for MIT I believe is different than the classical leader. They still have to have some of the same qualities: the ability to articulate a clear vision and an ability to inspire. But they also have to have the ability to sense the interests of the faculty and to build on that. That was, as you might expect, we had a lot of discussion around what would make a good leader for MIT when we prepared and as we prepared for the search and as we prepared to talk talk to candidates.

INTERVIEWER: Do you think it was your work on management and leadership type issues that got you these chairmanships that lead to these assignments--

CHAMPY: It may have helped. It may have helped because the challenge was certainly to come to agreement. not only to find the right pool of candidates but to make sure that we had a process in place that would bring both the faculty and the Corporation search committee in agreement. MIT, unlike other institutions, actually has for the last three searches for our president, brought together what is described as the trustee search committee together with the faculty advisory committee. And Karen, when we started to operate in the search, I thought I wanted to continue that tradition. There was no way, and I believe there was no way an institution like MIT-- a corporation committee-- can select the president, select the new leader, without the full support of the faculty. And I thought that a process by which the Corporation committee just went off and made a decision and then consulted with the faculty committee would not work. and so we literally put in the room together for every meeting the faculty committee that was selected by the officers of the faculty together with the Corporation search committee. And if there is any skill I felt, it was to keep those groups moving together and integrated in the way they did their work. But I had the great advantage of a great chair of the faculty search committee, and that was Jerry Friedman, the Nobel Laureate.

INTERVIEWER: For both the Dana Mead search--

CHAMPY: No, no, no. The Dana Mead search was much easier actually in the sense of that was a small corporation committee and we did not have to consult the faculty. Although we did ask certainly different constituencies within the Institute and get a sense of the Institution's needs as we did the Corporation search. But the search for the president required a much broader range. And as I said, particularly an engagement of the faculty committee. And getting the trustees and the faculty to kind of work together, getting it clear that the ultimate decision was the trustees' decision. It is. It is one of the most important things, if not the most important thing, a trustee group does is select the president of the institution. And so in an easy way that was not offensive to the faculty we have to make clear everybody understood the decision would be that of the trustees. But we wanted the process ultimately to be a collaborative process. And in the end, by the way, everybody voted. We all voted. We all had the same ballots in the room.

But I just wanted to comment earlier, I have the great advantage of Jerry Friedman who is a wonderful, thoughtful faculty member. And Jerry always sat to my right in the meetings. Jerry and I would meet before the meetings, usually for lunch, a few days before. We planned the agenda. We'd talk about the processes. We'd talk about the issues that might come up and how we would manage those. And it was quite striking. The faculty wanted to talk a lot about process. And they were right at times. They would talk about about process, was the process right, were we doing the right thing at this point in time? The trustees didn't have a lot of tolerance with that, didn't have a lot of patience for that. And I learned after the fact, from some of my trustee friends, that some of them thought we'd never get the job done.

But I believed that if you put a group of very intelligent people in the room-- and certainly our faculty are and our trustees-- that share a strong belief in the institution, they would come to a decision and the right decision. But the point about Jerry at my right, every once in awhile we'd get a faculty member who would kind of act up in some way and you could see the trustees would get a little anxious. The faculty member was getting very assertive and people would say, oh my goodness, we're going to get into this long debate. And I'd kind of nudge Jerry and say, Jerry, can handle this? And Jerry would settle it. Because it was striking. He has such a presence and such a clarity and sense about him that he could really handle anything that got, appeared to start to get out of control. That a long answer to your question, but if I had any skill, it was getting the alignment of the group and keeping the group moving forward.

INTERVIEWER: Let's back up to the chairman search because chronologically that came first. How much time did that job take?

CHAMPY: That job-- all these jobs take time, but that was just a matter of a couple of months. It was not an extended search. Although finding the chairman is challenging. I'll tell you why. We have an extraordinary group of trustees. And a wonderful group of past presidents. If you go back in history of MIT you'll see that many past presidents had become the chairman of the Corporation. But there have been times when there wasn't a retiring or near-retiring president, and Chuck Vest wasn't retiring so he wasn't going to be a candidate. So it meant we had to look at a group larger than past presidents to be our president.

INTERVIEWER: Because Alex had been chair.

CHAMPY: Alex had been chair-- Alex D'Arbeloff had been chair. Alex was retiring. So we had to, I felt go into the-- and I think the executive committee felt we had to go into the larger trustee group-- but when you go into the larger trustee group, the pool of candidates-- these are all very active people. They tend to, even in so-called retirement, they tend to be engaged in other activities. To get someone to commit, someone of the quality and the skill of Dana, to commit to doing this job on at least a half-time basis. And Alex had done it in theory on a half-time basis, but it was more than half-time. The same thing is true with Dana. You sign up for half-time and it's a near full-time job. The job is finding someone who has again the skills to move the trustee group, to oversee the trustee group, and get them to commit several years of their life. Particularly, in some sense, this might be a major piece of work that they will do towards the end of their career. And so the pool of candidates, the pool of people interested in doing that is very small.

INTERVIEWER: And it had to come from within the Corporation.

CHAMPY: It doesn't have to, but I think it would be unwise not to. Our Corporation-- we all like to think we're unique as corporations, as groups-- I think ours really is. These are people who understand MIT, who cared deeply for MIT, who knows how governance works here. And it is unique. I sit on other boards, both public and private, and I think the MIT Corporation is unique. First in the level of engagement. We had an accreditation visit a few weeks ago here. And a great insight that came from me-- an observation of the people that had come to accredit MIT for the next ten years-- as they looked at how our Corporation behaved, was we spend a lot less time on administrative matters. For example, we don't have a buildings and grounds committee. Most university boards do. You know, who look over the detail of what this building does, that building-- we don't have that. We don't get involved as trustees. There are subcommittees that look at certainly the investment portfolio and how all that is managed. And we have a salary subcommittee and we have the executive committee. Our most engaged group of or our most engaging set of processes are the visiting committees. And an observation of the accreditation group, which I think it's a very important accreditation is, our trustees are more knowledgeable about teaching here and research here than any trustee group they had ever seen.

We just don't come in and sit and talk about administration and finance, we actually come in and we talk about how this department is doing or report on how this department is doing, what this school is doing, and their knowledgeable. And so you need a-- I believe we need a chair of the Corporation who is knowledgeable about MIT at an intellectual level, as well as how governance works here. Again, a long answer to your question, but I don't see how we would serve ourselves without having someone from within the Corporation as a chair.

INTERVIEWER: Had you served on any other search committees for MIT before you took on these two?

CHAMPY: I had served-- I'm trying to remember the sequence. MIT was replacing its chief information officer I believe, it was just before or just after that, I'm trying to remember the sequence, but I had--

INTERVIEWER: About six or seven years ago.

CHAMPY: --yeah, I had served on that because I've had a background in management--

INTERVIEWER: It was one of Chuck's last vice-president appointments.

CHAMPY: --that's right. Jerry Grochow-- I had helped recruit and find Jerry. And I've served on two since then. I was active in the search and on the committee for the first ever general counsel, the first ever lawyer, general counsel for MIT. And I was also most recently on the search committee for the new executive vice president of our alumni association. So I've served on multiple search committees.

INTERVIEWER: But you hadn't worked on one of the Corporation's search committees by the time they said take charge of it.

[INTERPOSING VOICES]

CHAMPY: That's right., the chair. But it was a-- I mean, we're very fortunate that Dana made himself available.

INTERVIEWER: Was that a pretty quick process then? In other words you looked over the universe and narrowed it down and said there aren't many?

CHAMPY: There weren't many available candidates again, people who were at a point in their career where they would want to do this, where they lived in Boston or at least lived in the Northeast. I think this would be-- again, MIT's governance process is different because our chair is a part-time or near full-time position, resident position. Again, I could envision that person maybe having an office in New York, but that'd still be difficult. It's a resident position here on the campus.

INTERVIEWER: So part of what made Dana the right person was his availability and maybe his experience as a leader and a corporate executive?

CHAMPY: Definitely. A leader, a corporate executive. He had served on boards, both nonprofit as well as for profit boards. He had a lot of experience in governance, lots of experience in governance. That's what the Corporation is about. It's a governing body. So he'd had governance experience. He had served on the MIT Corporation, he knew MIT well. By the way, he had also been a teacher back in his early years at the Military Academy at West Point and so he understood the academic environment.

INTERVIEWER: Did you know him well at that point?

CHAMPY: I knew him well. I felt I knew him well. By the way, Dana also has written on leadership. Dan's done a book on leadership, has taught courses on leadership. So yes, I had known Dana well. Interestingly, I think I knew-- we had a few candidates we talked to and I felt we knew them well. It was a good search in that sense.

INTERVIEWER: The chairman works very closely with the president. To what extent was he chosen to complement Chuck Vest?

CHAMPY: Without question we benefit from having a chairman who can collaborate with the president. At MIT the president really runs the place. So it's important to have a chairman who knows that and understands governance in that sense. And so you used the right word, complement. I think the way a chairman works particularly well at MIT is when they can be an adviser to the president. Because the president often needs advice. I mean, from my own work in leadership, being the top executive is a very lonely place, particularly when you're called upon to make very hard decisions. And our president is called upon from time to time to make a very hard decision. And having someone with the leadership and experience of Dana in the room, to be able to go to Dana who's here and understanding and together with a president experiencing what's going on, is very important. But to have a comfortable relationship between the chairman and the president is absolutely critical.

INTERVIEWER: You mentioned that a number of the chairmen have been presidents before. Was there any question about, whether given the opening in the chairmanship, whether Chuck might want to step into that at that time, even if he hadn't originally been planning to move on at that time.

CHAMPY: We certainly spoke to Chuck about what his expectations were for continuing in the president's role or retiring and whether, if he did choose to retire, he might become a candidate. But Chuck felt there were still things he wanted to accomplish, still things he wanted to finish out in his term as president. And he would continue for--

INTERVIEWER: And did he have any-- was he part of the process of choosing Dana then or was it on the side?

CHAMPY: We certainly consulted with Chuck, not only about Dana but about the other candidates with whom we were speaking, because again I think it's particularly important for the president to feel comfortable with the chairman.

INTERVIEWER: The search for Chuck's successor actually didn't come too much later, so in the end he did step down. So when Dana, I guess, must have come to you and said, would you take this one on did you think of saying no?

CHAMPY: I did not actually. You know, I thought certainly about how much it would take. But for me, it was also going to be a new experience, a very challenging experience. And you don't have many opportunities of this kind in terms of a work experience to try to orchestrate the decision process as momentous as this and that had the complexity of this one. Because as I said, it's ultimately the decision of the trustees. That decision cannot be made without, I believe, the full support or representative faculty group. There are other constituencies. There are students to engaged at some level and at some time. And I think, in a very informal way, engaged students. There's the broad faculty, not just the faculty search committee. There are the folks at Lincoln Laboratories who actually had felt excluded in earlier searches. We had heard that, so Jerry Friedman and I very early on said, look we'd better go out there and spend some time with the folks at Lincoln and see what they see as the institutional needs and what ideas they had. There are alumni who have points of view. There are foundations that have points of view. External folks who want to give us advice. External supporters that want to give us advice and have ideas. There's the administrative staff. And so there are multiple constituencies and Jerry and I determined early on that we had to talk to all of these or we had to use representatives of the committee and orchestrate representatives of both committees to go out and talk with these constituencies. And we did that. So it was, for me, there wasn't much hesitation because I knew what it would take. And I thought it would be-- I'd learn something.

INTERVIEWER: As you solicited views from these very different interest groups, were there any surprises? Any advice or recommendations that came in where you said, gee, that's a good idea, or oh my goodness?

CHAMPY: You know, there were surprises of various kinds. One was from the students. We said to the leaders of student government, both to the graduate and the undergraduate level, look, create an advisory group. And the students did. And we said, we'd like you to come and talk with us first, just as we are doing as a committee about what you see the institutional needs being. And I was first really surprised by how articulate and clear they were. But I was more surprised when not unexpectedly they said, can we suggest candidates? And Jerry and I said, of course you can, but you must keep your suggestions confidential. Because one of the damaging effects of any search process is to disclose who you're talking to or who's names are on the list. It's damaging to the candidates. So we had to impress on the students the nature of confidentiality and if they were going to bring us a list, that list had to remain between them and us. And then they said, can we give you opinions? And we said, yes.

And I'll tell you what I was most surprised about was the clarity of their opinions and the wisdom. The wisdom. And at the very end of the search there was a question of whether we tell the students who the final candidates were and give the students an opportunity to interview the final candidates. And to the fairness of the candidates, allow the candidates to talk to the students. And again, a little bit of hesitation because of the nature of confidentiality. But we said, look, we just have to trust the students. They've been very responsible up to now. And again, one of the great surprises was the clarity and wisdom of the assessments they came back with us with after they spoke to the you candidates. It was really wonderful to see that, to be engaged.

There were other surprises, things that I didn't expect. And again, it didn't necessarily come from what someone would say to us. As you might expect, there were different kinds of candidates. We were very fortunate. This may sound a bit arrogant-- this is the best job in the world if you want to lead a science and technology engineering institution. This is the best job in the world. So it wasn't surprising that when we put out the call and invited people, everyone we invited to come and talk with us-- either for advice or because they were a candidate-- said yes except one person. And that person had just been offered the presidency of another institution. And he said, look I'm very flattered by this, but Jim I can't really back out, I've said yes to the-- and it was a very fine institution that he was going to. Everybody said that he or she would come and talk with us. But here's what I was surprised at-- there were in that candidate group certainly people who had run and presidents already and were presidents of large research institutions. There were provosts. There were deans. There were department heads. There were people who all had typically some level of academic administrative experience.

What I was struck by was that it wasn't until someone was actually a dean that they had the breadth to kind of run a place like MIT, the base of experience. They had dealt with multiple constituencies within their institutions so they understood the complexity of what it really takes. On the other hand, there were department heads who we would interview and I would say, that person's going to be the president of a major institution some day. You could just see that they had it. And this is something we did not have to come to, but we had a process by which as we talked to candidates, we would immediately make a determination as to whether we thought they might be in the final pool and we would continue to talk with them, whether we should tell them immediately that they would not continue as candidates and do that in a very respectful way, or the expression we had, we'd put them on the shelf. We weren't sure either way, but they were interesting. So we wanted to hold them as candidates. They were some folks who were department heads who we put on the shelf. And I was thinking to myself, but I again I never had this discussion with the committee, you know, if push came to shove and some of the candidates who had a lot of experience or the finalists who had a lot of experience who just seems right for the job-- if we could not convince one of them to take the job in the end, they were some of those department heads who I would take a chance on. In a sense, they didn't have the experience but you could just see skills and what they might do in the future. That was a surprise. Also a surprise, the assessment of people who had had different kinds of experiences and what we could see.

INTERVIEWER: Were you able to do anything like with your shelf candidates after you picked Susan? In other words to say, boy we identified some really interesting talents, some of them may be here already, but we should look at how to bring them along? Or they're not here, let's look at how to bring them inside.

CHAMPY: No we did not do certainly for people who are outside. But I know that at this point in time, there is certainly an interest and there's some activity inside MIT to develop leaders, academic leaders. So that is in fact going on at this point.

INTERVIEWER: How does that happen?

CHAMPY: That happens under the leadership of the provost here who is charged with really building the academic leadership within the Institution. So I know we have a provost who's very interested and very active in thinking about the leadership development of members of the faculty, of his deans and his department heads.

INTERVIEWER: But it's all pretty informal.

CHAMPY: It is informal, but there's a lot of thought in it.

INTERVIEWER: And conversations back and forth between him and some other people?

CHAMPY: That's right. As trustees we're not involved in that, but I know we have a very fine provost in Rafael Reif and I know that Rafael is very active and engaged in the development.

INTERVIEWER: Did you have some idea of how long you wanted or expected the president, a new president, to serve and therefore what kind of age group you might be looking at?

CHAMPY: Look, the general sense, although this is not a requirement, that the president might serve at or about 10 years or so. That's about historically what terms have looked like. It's about how long someone might be interested in doing this job. It's an incredibly demanding job. So certainly we were thinking about a 10 year kind of term. That meant that if someone, because there are retirement requirements, if someone was 70, they were an unlikely candidate. But we never asked anyone's age. We didn't. That was not a specific discussion on our part. But you do have to look at a candidate and say, do they have the stamina and the energy to stay in a job like this for 10 years.

INTERVIEWER: You talked about vision and maybe strategic thinking ability as being important. How easier were those to judge in the candidates you were seeing?

CHAMPY: I had the benefit of some early advice from Carl Mueller who had chaired the searches for the two prior chairmen. And Carl and I spent several hours together in New York early on in the search. And I was seeking his advice and his council. And Carl said to me, Jim, don't worry, you will know when you have the person in the room. okay? You will know when you have the person in the room. And the interview process and the search process consisted, of course, of our really casting a very wide net, looking for advice and names. Some of our faculty committee members had ideas. The trustees had ideas. We had written to alumni. We went to heads of foundations, other university presidents. We probably started with about a hundred odd names, a hundred plus names. Narrowed it down to maybe 20, 25 serious candidates who we thought we might want to talk with, actually interview. Some of whom we felt we could call directly because they seemed to be, from what we knew of them, clear candidates. Others we were uncertain about.

The candidates who we thought were clear candidates, I would pick up the phone. And we decided early on to engage them that I would, as chair, would have to call them personally. So I called everybody, every candidate we were going to talk to, personally. And those who were again would be clear candidates, I said, look we would like to consider you as a candidate. Would you allow us to consider you and would you come talk with us? As I said, everybody came except one. For those who we were uncertain about we would call and say, you may be aware we are searching for presidents here at MIT. Given your experience and your knowledge, would you come and give us some advice? And they would come and give us some advice. And we would get a little more exposure to them and see whether they were a candidate.

Well, I'll tell you, Karen, Carl Mueller was right. We knew after every first interview whether we had a serious candidate in the room. And it wasn't so much that they, in fact, could express a vision in the room. In fact, someone observed very early on on the committee, I can't remember who it was-- that if someone came in and told us that they knew what to do with MIT or for MIT they wouldn't be our candidate. But again, early on, to your question about what kind of leadership it takes, it takes someone who knows that leadership at an institution like this, is both tops down driven as well as-- tops down driven as well as bottoms up-- and you needed someone who understood the way this kind of place worked. And so it was in the dialogue, particularly the faculty would have with the candidate, that the obvious candidates came through almost immediately.

Susan was one of those, by the way. I had called Susan. There was little hesitation on the phone at first. And she said, okay. And as you know Susan was at Yale at New Haven so we set a car--

INTERVIEWER: As provost, but she hadn't been in that position very long.

CHAMPY: She had not been, and I must tell you that it was interesting. When her name came up on the short list, one of the members of the faculty said, she's just been provost for a short while and it would be distasteful to kind of take her away from Yale. And those of us who in the private sector are used to kind of just if we see someone, going after them. So that's not the way we behave. If Susan turns out to be a very likely strong candidate, we should talk with her. And so we said, we hear that, we hear that, but we think we should talk with her. And so we sent a car to pick Susan up. By the way, we held none of our search committee meetings on campus because we just couldn't afford to violate the privacy of the candidates. We set a car for Susan. I remember that we interviewed Susan at the Algonquin Club across the river on Commonwealth Avenue. INTERVIEWER: And we being how big a group of you?

CHAMPY: At most meetings, not everybody, as you might expect, did show up. But I'd say we had an average of maybe 20 attendees.

INTERVIEWER: And this was faculty and trustees? Wow.

CHAMPY: By the way, the evening in which we made the final decision, we had everybody. We had over 30 people in the room to make the final decision. And as I said everybody had a vote. Everybody had a vote.

INTERVIEWER: And how long a meeting was that?

CHAMPY: It was a long night. It was a long night. And I must tell you, when we came into the room, Jerry and I looked at each and we said-- we had really narrowed the pool down, it was a quite, quite, quite, quite, small pool by that point-- Jerry and I looked at each other and said, I said, Jerry, do you know how this is figure going to come out? He said, no, do you? I said, no, I don't know where this is going to come out. Because our candidates were of such high quality that they were advocates for all of them. And we used-- again, I think one of the things that made the process work was we didn't allow anybody to stay silent in a meeting. The process we used was after we interviewed every candidate-- typically the interview lasted two hours. And we would appoint for every interview a trustee interviewer and a faculty interviewer who together would construct the sequence of questions. We had created a body of questions we felt we wanted to ask every candidate. But depending on who the candidate was we left it to the selected interviews for the evening to really determine to protocol. Now often times as you might expect the discussion certainly wouldn't follow the expected line of questioning. But we always got all the questions answered.

And the committee got very good at it. Very, very good at it. So the two people assigned to begin the discussion-- we'd welcome the candidate, describe a little bit of a process we were in, and then introduced the trustee and the faculty member who would be leading the discussion. And the discussion would begin. And the committee just got better and better. And so sometimes it went on for a longer than two hours. Then the candidate was excused and thanked. And they would leave. And then the committee stayed and we went around the table and everybody had to express their view of the candidate at that point. So we knew where everybody, at least who was in attendance, was at the end every interview about that candidate?

INTERVIEWER: Did you try to quantify? In other words, on a scale of one to 10? Or did you try to say, yes, no, maybe, or how did you?

CHAMPY: Yes, they'd continue as a candidate. No, Jim call them up and thank them very much but tell them they're not a candidate. Or they're on the shelf. It was one of those three actions that came out of every one. And then we kept, as you might expect, narrowing the pool, narrowing the pool. The few people on the shelf, the pool got smaller and smaller. At the very end, there were names that they were very unfamiliar to all of us that we knew were out there. Very unfamiliar. But we wanted to make sure that we had covered the territory.

Up to that point in time we had an outside search firm, Spencer Stuart, that was advising us. Unlike some presidential searches at some universities where the search firm runs the search, we ran the search. Most of the time we had a Spencer Stuart-- we had two people assigned to our work-- very, very capable, experienced Spencer Stuart search people. One of them was typically in the room for every one of our discussions. But we said to the Spencer Stuart folks at the very end of the search, look here are seven or eight names. We don't know these people. They've come up from time to time. They look unlikely, but we shouldn't miss the opportunity to talk with them. And by the way, we were very, very conscious of our commitment to make sure that we were seeing underrepresented minorities, women, in the search. We said, look there were some underrepresented minorities and women in that small pool. We said, we'd like you now, Spencer Stuart, okay, go out and talk to these people on our behalf and come back and tell us whether there is anybody in this final pool that we should talk with. And I think out of seven or eight they came up with two additional folks.

One other piece of advice that came from Howard Johnson, by the way, early in the search, this is a very important piece of advice. But this was a good piece of advice. You can recall maybe from earlier interviews that you've had that the prior search a candidate was identified-- the prior presidential search-- accepted the position and then over a weekend changed his mind. For what I believe were good reasons on his behalf. Howard said to me, never end the search until the deal is done until you've made the offer and the offer has been accepted. Keep searching, keep searching, never end the search. And that took a lot of discipline, because we were talking about the remaining pool at the same time we're keeping the search going. We were identifying new candidates. And we did that until-- we didn't stop doing that until the night the 30 plus of us met. We met at the Ritz. By the way, we either would meet at the Algonquin Club, the Ritz-Carlton hotel, or the Four Seasons, because we wanted our candidates to have a sense we had class. And I was always amused. The faculty would rate the food, which place had the better food. The Ritz served the smallest amount of food but it was a classy place. So we had our final meeting at-- I remember the room. We would always sit at a big u-shaped table or big, actually, round table if we had it.

And as I said, Jerry would sit to my right and Kirk Kolenbrander, who was very strong and competent support-- he was our staff, he was our full-time staff member assigned to this search-- Kirk would sit to the left. And we went around the room and we began that evening asking everyone to express his or her opinion on their candidate of choice. And then we took a ballot vote. It was a written ballot vote. The faculty had actually requested that it be a ballot vote. So we took a ballot vote. And we asked people to sign the ballots, but Jerry and I would be the only people who would sign the ballots. The reason, by the way, I had said to the committee, look if we have any split here between what the faculty wants, what the trustees want, I have to know the condition in this room. I've got to know where we are. Jerry and I have to know where we are to get through this. Jerry and I will never disclose, nor would we, ever disclose who voted for whom, but we need you to sign the ballots because we've got to know where people stand so we can we can manage this to a close. And people did. And Jerry and I counted the ballots and we had a president on the first ballot.

INTERVIEWER: Wow. Was Dana Mead involved in this search?

CHAMPY: Dana was on the committee. He was on the committee. Yes. But he had no greater voice than other people in the room. Everybody had an equal voice. everybody had an equal voice. As you might expect, there were-- although everybody had an equal voice, there were some voices that were louder than others in the room.

INTERVIEWER: So you had one round of interviews and then you brought the finalists back for a second, but you didn't have more than two with anyone?

CHAMPY: Oh, no there were more than two. When we had some candidates-- particularly those that we thought might be finalists-- we would have them back again. We also had the finalists back finally on campus, very quietly, to talk to the students. And the students gave us their opinion and point of view. Again, very intelligently done and we also allowed-- we wanted the finalists to be able to visit the campus, so we had them back at the very end. But there were some candidates to whom we spoke a few times.

INTERVIEWER: And, as I say, you shaped the leadership.

CHAMPY: It was a momentous evening.

INTERVIEWER: Why didn't you and Jerry lead the discussions? Why did you pick other people and vary it?

CHAMPY: Engaged. We wanted people to really feel engaged and to get deep into the quality of what was being asked as well as the responses. And it did engage people. They would-- you had to become very thoughtful if you had to lead this. And by the way we had very skilled people in the room, most of whom had never done this before. By the way, one other observation if I might. I thought that the experience-- and I think this would be true if you interviewed the faculty members of the committee-- this was an extraordinary experience for them. And elevated their ambitions-- I know that-- about what they might want to do here at MIT or more broadly in research and in education. And that was so wonderful to see that. That through this experience we all saw MIT in a new light by the way because of it. But the experience of seeing these candidates and of the decision process and engaging the institution I think really elevated the ambitions of a lot of the faculty members. And if you look at what a lot of them are doing right now at MIT, many of them have moved into administrative positions.

INTERVIEWER: So in other words, the list of faculty members who participated is indeed public. So one could go back and-- any in particular who you would point to?

CHAMPY: Well several of them were deans. Lorna Gibson became a dean, Bruce became a leader of the fact-- he is a leader of the faculty. A couple of them have expressed to me, I want disclose them, their ambition to be the president of a university. That was very satisfying.

INTERVIEWER: A little bit of, oh I could do this?

CHAMPY: Yes, yes, yes. They came to me and said, this has really spurred our interest in leading an institution.

INTERVIEWER: Interesting Let's back up some more and talk about your own background and where you were born and grew up and how you came to MIT in the first place.

CHAMPY: I came to MIT actually 50 years ago this year. And it's interesting. I measure that-- this seems almost more momentous to me than what will be my 50 year reunion which will come in a few more years-- because I came up not so far away in distance, but culturally and academically very far away. I grew up in Lawrence, Massachusetts. It's a mill town on the Merrimack River, 35, 40 miles north of here, of Cambridge. I decided I wanted to come to MIT because someone had given me a catalog, an MIT catalog, back in about the eighth grade, in grammar school. And I kept leafing through that catalog.

I always knew that I wanted to be, actually, initially an architect. It was my ambition to come and be an architect. And I went to public high school. A high school that was a wonderful experience but not good academic training. Not many of the students in my high school-- a very small percentage actually went on to college and very few of them went on to places like MIT. But that was my ambition. And I think it was luck of some kind that got me. Not my skill at that point but just luck, Karen. But I came here 50 years ago and--

INTERVIEWER: Were you a leader as a child and did you think about leadership or management issues then?

CHAMPY: I was a leader in high school. I was a leader in my class. I was a leader in organizations there. Yeah, I felt that I had leadership skill back then. But, by the way, when I got to MIT was a much bigger pond. I could see that my skills-- that there were a lot of other people who had skills that were equal or better than my skills. And certainly a lot of people were academically stronger than I was. But over the years here I felt I developed my leadership skills. And it was particularly in my junior and senior year when I started to feel real confidence about this place. My first year was very challenging. My sophomore year was also challenging. But I got through it. But finally when I settled into my department, which eventually became the department of civil engineering, and started to feel very comfortable in the work and with the support of the faculty, I started to academically do very well. When I came here, I joined a fraternity.

I'll tell you a brief story about first arriving here. I arrived from Lawrence, Massachusetts. In those days, Rush Week began immediately. You had to make a decision as to whether you were going to live in a dormitory or in a fraternity. And you were temporarily assigned to a dormitory. I was assigned to East Campus. And when I arrived on East Campus, I'll never forget the smell, if you will. There was still the Boston Woven Hose Company operating in the back of the East Campus-- it made woven rubber hose-- and the chocolate factory. And the place was just kind of filled with this strong aroma of chocolate and rubber. It was the strange scent that just pervaded the whole place. It's gone now. It's gone now, but I just remember it very-- the pungent kind the smell of the place. And in my room, across the hall, was a guy by the name of Bob Johnson, who is also now a trustee and member of the Corporation, who became my lifelong friend.

Bob was the first person I met when I came to MIT. There he was. He had come as a young kid from Florida. He had come from Florida, I'd come from Lawrence, Massachusetts. We became friends and we have remained lifelong friends. My father, who was very proud of the fact that I had come to MIT, wanted me to live in Baker House. Baker House had just been built not so long ago. It was a beautiful new structure. I had been summer rushed. In those days, the fraternity folks had come to visit during the summer, particularly local folks.

So I had been approached by some of the fraternities and I was interested in, at least in exploring the fraternities. And I started to get very comfortable and feel very good about living in one of the fraternities. And my father was very upset about that because I was going to live on the other side of the river, not in Baker House. And I did pledge in that first week Phi Kappa Sigma-- a wonderful, welcoming house, that actually I think really supported me during the very difficult early years of transition here. But I remember my first room, not only was it a house on the other side of the river, it was a basement room. It was like I was living in a tunnel. And I remember my father visiting-- he would come and visit quite often because he wasn't that far away-- he was always upset with where I was living. But it was one of the best experiences. And, back to your question about leadership skills, I start to develop my real leadership skills in that living group. That's where I started to develop my leadership skills.

INTERVIEWER: Did you and Bob go through the fraternity thing together or you went different ways?

CHAMPY: Bob pledged a different house, he pledged a different house. But I became eventually rush chairman was the first important job-- a very important job in a living group like that. Because the whole financial success and the quality of your living group was dependent on who you invited it and could you attract people. And so running rush week was in many ways the first complex enterprise I ever ran.

INTERVIEWER: And you did this as a s--

CHAMPY: I did that as a junior.

INTERVIEWER: Rising sophomore or rising junior?

CHAMPY: Rising junior. Did that as a rising junior. I also became my house's representative to what was then called the inter-fraternity conference, which was a very active and very important group on campus. And I eventually became chair of that, head of that. That was the most substantial leadership position that I had as an undergraduate here at MIT. But I developed my leadership skills substantially with that living group and then with the inter-fraternity conference.

INTERVIEWER: And did and you have to just figure it out or was it trial by fire or did somebody mentor you and hold your hand as you did this?

CHAMPY: It was in part trial by fire and figuring it out. I had two wonderful mentors here in the deans. It was a very active dean's office in those days. We had a Dean of Residence by the name of Freddy Fassett. there was actually a role called the Dean of Residence. And Freddy and his dear wife had a house on campus. It's now one of the fraternity houses on the Drive. And his job was the whole resident system, the fraternities as well as the dormitories. And Fred was a marvelous adviser. And then Ken Wadleigh, who was Dean of Students at that point. Ken was a wonderful adviser. So they were both advisers and had a great effect on my life. Also the ability to observe their sense of style, the way they managed, the way they made decisions.

INTERVIEWER: They were quite different from each other--

CHAMPY: Very different. Freddy was this very dapper guy. He wore a three piece suit, smoked a pipe, just what you'd expect. Had a little mustache. Freddy Fassett was a kind of guy who-- we got into a lot of trouble on Beacon Street. You know, come spring there was always this ritual, it was a very dangerous ritual, of getting up on the roof and throwing water balloons down on the street on passing cars. As soon as you--

INTERVIEWER: At all the houses or just your house?

CHAMPY: All the houses. All the houses. There would be these, these days of mayhem, these days of mayhem. It was dangerous. And people always would open their windows and put loudspeakers-- those were also the days when you built your own hi-fi system. So there was this competition of who, as soon as spring came, could blast the most noise. We were, on the whole, good neighbors, but boy there were days. Well, Precinct Five, the police, would always come and sometimes arrest the whole house. But if Freddy got there first, Freddy would tell the police it was the BU kids. That was the kind of guy Freddy was. He would redirect the police and save us.

INTERVIEWER: How did he know to come? Did somebody?

CHAMPY: Someone would alert him. Someone would alert him that the mayhem was going on. Freddy would arrive. But there were times when Precinct Five would arrest the whole house. But it was-- Freddy was this wonderful character.

Wadleigh was a more staid character, very smart, chemical engineer. Wonderful, wonderful man. Wonderful man. But there were still-- in those days, they were days of restrictions and controls. And certainly around alcohol. The use of alcohol was much more restricted than it is today. And if you were going to have alcohol at a-- most of the houses had their own restrictions that they enforced. And if there was an Institute-wide event they were very strong restrictions. And so there was always a negotiation going on with the administration. And I learned a lot about that. Because we were these kids negotiating with really very, at that point, very important powerful people.

By the way, very accessible. That was another wonderful thing about the place. That if you were in a leadership position as a student, you had access to the people who ran MIT. The president-- you could go and talk to the president. You can do that today, but boy it was a-- there were people who you could see and who you could follow as leaders.

But then they were trials by fire. I remember when I was chairing the rush, the arguments we would have about certain candidates and the real split in the house about, yes this candidate, make an offer, no don't make an offer. And because we were up all night for days during those processes of engaging people, trying to get them to join the house, and entertaining them, and meeting late or early in the morning to make decisions, I learned, by the way, that you had to extract yourself from the chaos of all of that as a leader. You've got to be in it but at the same time be able to rise above it and keep your own head as clear as possible to in the end make the decision. And in the end, the decision was mine, the decision was mine, as to who to make bid, who to give a bid to. That was the first time that I had to kind of make those decisions and make them and still, for the group, and maintain the support of the group, make them in a way that would seem fair and clearheaded. And I just remember how much I learned in that one week's time. Because tensions ran very, very high and decisions were

INTERVIEWER: But you didn't try to put it to a vote? I guess from the outside--

CHAMPY: There were votes, there were votes. But when there were disagreements, a split, you had to weigh in. And when there was a strong minority opinion you had to weigh in and you had to manage the disagreements. That was the first time I ever had to manage that degree of conflict.

INTERVIEWER: And did Dean Fassett or Dean Wadleigh ever pull you aside and explicitly give you either advice or commentary or did you have to go seek out advice?

CHAMPY: I would go seek advice. I would go seek out advice. Yeah, I would go seek out advice from then. And they were very welcoming. Or, by the way, with Wadleigh in particular, I might be arguing about something. And he'd listen. And I remember I had one argument with him. He wanted to stop serving liquor at a party at a certain point. And I said to him, won't work, it won't work. And I said, thank you, Ken. And I started to walk out of his office. And he said, come right back here, come right back here. He said, now you tell me why it won't work, why it won't work. Again we went at it and eventually I convinced him that it wouldn't work. But I'll never forget that because I said, won't work, Ken, and I started walk out, and he said, don't you leave, don't you leave. Sit right down, sit right down here. He had a marvelous [INAUDIBLE]. But again, you could engage him in that way.

INTERVIEWER: Did you ever go to the president yourself to say there's something you wanted to talk about?

CHAMPY: I didn't go. I didn't have to do that. But you could. The president was very accessible. J. Stratton was the president then. Marvelous patrician character, marvelous character in that sense.

INTERVIEWER: Did you get to know him?

CHAMPY: I felt I got to know him. I also got to know Killian and who was chairman of the Corporation. I got to know Killian--

INTERVIEWER: While you were still an undergraduate?

CHAMPY: Well I was-- I knew him as an undergraduate, but I also got to know him when I came back as a young alumnus on the Corporation. Because those were the challenge days of Vietnam. And I got to see Killian operate as a leader in those days. I got to see Jerry Wiesner operate as a leader in those days. And that was, one could argue, part two of my leadership training here at MIT. These were very, very formidable leaders. And I saw Killian in the midst of student uprising-- literally the physical midst of this-- speaking to students and trying to engage them intelligently in discussion. He had incredible strength and courage because this sense of danger on the campus during those days was quite striking. You walked through the lobby of Building 7 during the time when there was a demonstration going on and you actually felt a fear of physical harm. The tension around the war was so great. But Killian would walk right into the crowd, right into the crowd. And he was a big man. He had, again, great stature. A great voice. And he spoke in powerful terms. He used powerful metaphor, very clear, very kind of clear.

INTERVIEWER: He was a communicator, I guess.

CHAMPY: Oh, he was great communicator.

INTERVIEWER: But he also-- he may have looked patrician, but didn't he also look a little bit grandfatherly which maybe gave him an aura that protected him a little, perhaps?

CHAMPY: Always in a dark blue suit with a white shirt. I remember, it's just that's kind of-- Stratton was the same although Killian had more of an aura around him. You know, I started to follow him early on. Killian was also the leader, had been a leader here for a long while. Prior to my arriving and being active in the fraternity system, there had been a very unfortunate death here on campus of a pledge during so-called hell week. And Killian defended the housing system. But I remember again reading everything he wrote about it at the time. And his words, that we should never allow ourselves to become the victim of our tradition, those are Killian's words. He spoke in those very kind of clear and wonderful ways, we should never become the victim of our traditions.

INTERVIEWER: And what did he mean by that?

CHAMPY: That there were traditions that the fraternities had that really had victimized them in many ways, these marchers, these things that they did, that really let directly to the death of this poor freshman.

INTERVIEWER: And did he succeed in changing or negating the tradition?

CHAMPY: He did. Oh yes, yes, yes.

INTERVIEWER: So fast forward to the later death of the fraternity pledge I guess, during Chuck Vest's tenure, where the ultimate decision was to move all the freshman on campus. So as somebody who was an active fraternity participant and had lived. What did you think and of the final policy? Did you participate in the making of the policy and what do you think about where we ended up?

CHAMPY: I did not participate in the making of the policy. I think Chuck certainly was very important, influential, in the making of the policy together with those in kind of the leadership positions here on campus. The deans, you know the Dean of Students at that time, and the chancellor at that time, really formulated that policy. I personally, and I was supportive of it then and I would support the policy the president in that respect. I think it's a decision of the president as to whether that should happen. I did not believe it was a necessary move. I did see the need to do something radical because I think there were issues of abuse of alcohol on the campus without question. Much more so than I recall. Much more so than I recall as a student.

INTERVIEWER: When you say on campus you mean in a fraternity?

CHAMPY: Off and on campus. Both, by the way, in the dormitories as well as in the fraternities. I went to a couple of meetings of living group representatives to discuss these problems. And I remember--

INTERVIEWER: After the death or before?

CHAMPY: --after the death, after the death. And I remember almost- I was struck by it-- almost the casualness with which the undergraduates were treating the use of alcohol on the campus and the lack of seriousness that I felt that was there. I was just struck by that. I remember one of the living group folks hearing him refer to the drink of the week. I said, what's the drink of the week? He said, well that's what we serve at our bar. And I remember that when I was here as an undergraduate, there was liquor in the house but there was no liquor served to freshman other than on Saturday night. There was no liquor served in our house other than on Saturday night. And Friday night, but Friday night only upperclassmen could have hard alcohol.

INTERVIEWER: Were there classes Saturday morning still?

CHAMPY: There were classes Saturday morning. Only upperclassmen could-- and it was strictly enforced. and we policed ourselves pretty well, even on Saturday night, but that was it. Then the liquor was put away and that was it. But it was clear to me that there was alcohol available on campus at all times. Something substantial has to be done around that.

INTERVIEWER: So you were at the point of thinking something radical needed to be done. Did you have any ideas for what might have been done other than what was finally done?

CHAMPY: Well one possibility-- and we did finally I believe do some of this-- you could actually put a resident adviser in each one of the fraternities. And I believe that was actually also done. I felt that, together with requiring the houses to actually put in some control around these issues, would be good. Now on the other hand, MIT-- and there's a good side to this-- does not want to go into the living groups and dictate to the living groups how they should run themselves. And as you know there was a very strong response from alumni bodies-- from alumni-- particularly around the policy of putting-- fraternity alumni-- of moving all freshman on campus. And it took awhile for the fraternities to recover from that because it meant that they would not have the income, they would just not have the income. Now MIT stepped up and supplemented the income of fraternities to allow them to get through this transitional period.

So I think MIT remained-- the good news is MIT remained very supportive of the independent living groups through all of this. Which is very important because such a high percentage of students choose to live in independent living groups. And because I actually think, and this came from my own experience, that the independent living groups-- together with the dormitories-- but certainly the independent living groups are one of the best places to learn leadership on campus. There's nothing like the intensity of living with the people with whom and for whom you're making decisions. You don't get to go home at night. You really don't. And again as I said earlier, you hone your decision making skills to get alignment when you're in these groups.

So MIT was very supportive. And Chuck, who felt I think personally accountable, felt very strongly that we had to make this move on to campus. And that also came up in-- I was, by the way, while all of this was going, I had come onto the executive committee of the Corporation-- that entered some of the deliberations of the executive committee, indirectly or actually quite directly, because we had to make decisions about building more dormitory capacity on campus. And the decisions that had been made with the great help and support of Dick Simmons who gave us a gift to allow us to build the construction or begin the construction of Simmons House, the new dormitory. Dick allowed us to kind of do that. So we had made a commitment to build Simmons, a new dormitory.

Well, Simmons is a very elaborate structure. If I may say so, designed by an architect who is principally an academician, and who had never designed a structure like that before. Certainly not here in the Northeast. And although it is a greatly admired piece of architecture by architects-- it is an architect's building-- it became clear to us as the plans were coming through that this was going to be a very expensive building to build. And sure enough, when the cost finally came in, it was about twice as much as what a dormitory of-- let me say lesser design but still of-- very high quality would cost. And so we had a great debate about whether we should build this building this building as designed. And some of the members of the executive committee said, Chuck, we should redesign this building, lower the cost, redesign this building. And chuck said, look, if we do this, if we do that, we're going to have to delay bring our freshman back on campus probably by couple of years and I feel so committed to the need to do it that just can't do that. And at the end, it was a decision of the executives committee to whether to build that dormitory or not. But I could just see in Chuck the intensity and the need from his perspective to make this move. And we eventually relented and said, all right, Chuck, if this is what you really think, we will build Simmons.

INTERVIEWER: Wasn't there also, besides kind of a moral feeling, the pressure of a lawsuit and a fairly public one? It was drawing a lot of attention.

CHAMPY: Not only a lawsuit but there was the pressure of criminal sanctions against MIT and some of the people at MIT. And you know it's bad enough, in my own private work I've dealt in the corporate setting with the threat of litigation, the threat of criminal action is very intimidating, incredibly intimidating and problematic.

INTERVIEWER: And you're a lawyer.

CHAMPY: I'm a lawyer. I'm also a lawyer. So I understand that. I do understand that. And that threat was quite real. That threat was quite real. There was a grand jury investigation in all of this. That was very, very real. And so we could, again as an executive committee, sympathize with the need to get that dormitory built. But that kind of theme stayed quite constant through--

INTERVIEWER: So as you neared your-- as you entered your senior year, moving back, what do you think you were going to do next look? Did you have a notion of where you wanted to go?

CHAMPY: It was a very interesting time. I never expected that I would come into the business of management and leadership and consulting and information technology in the way that I have. I was still going to be a civil engineer and I was going to build buildings. And in fact, if I looked at the work that I did in my junior and senior year, there was a line of study and work in the department around building construction and I was pursuing that. There was a professor in the department by the name of Al Dietz. Al was the great old man of building construction and of all the processes around building a building. And I had become his student and again, just a wonderful professor.

And at the same time we had a new young department chair in those days. A guy by the name of Charlie Miller. Charlie had come in as I believe almost an untenured professor into that role. He was very young. There was a sense the department needed some serious revision and rework. Charlie came in and he had a great interest in information technology. So Charlie started to bring the information technology, what was then the modern tools of information technology to the practice of engineering. To the design processes, to the optimization processes around design. We were doing optimization techniques, the so-called operation research techniques and bringing that into decision making in engineering. We were doing what was then called critical path programming, looking at construction projects from a network point of view to decide how to optimize a construction schedule. We were applying all these OR techniques using information technology to engineering. It was a very exciting time. And Charlie was finding all kinds of money to do research with. So the department had lots of resources. We were the first class of engineers, both at Mit and elsewhere in the country-- being trained in these techniques in the application of information technology.

And without applying to graduate school, Charlie sent everybody in our class a letter accepting them to the graduate school. I never applied to graduate school, yet I got a letter from Charlie saying, you're accepted for a master's degree, please come--

INTERVIEWER: And you liked it enough to keep going.

CHAMPY: --please come. And then he said, what would you like to be? Would you like to be a teaching assistant or research assistant or part-time instructor. I said part-time instructor sounds best to me. And I did that for two years. And those were two wonderful years because again the research we were doing was very cutting edge. There were a lot of young new faculty members who had just come into the department. And many of them, by the way, are still here at MIT now as full professors and having done very substantial work in their fields. Dan Roos, Joe Sussman, being two of them. They were early colleagues. I was Joe Sussman's first office mate when he arrived here as a graduate student. Or as a young professor, I can't remember which. But I remember being Joe's first office mate. Dan was a colleague, but we were all working for Charlie Miller. And we were really advancing the profession in those days.

INTERVIEWER: So you did two years of that, and then?

CHAMPY: And then frankly in those days the choice was you stayed in school, you went to Vietnam, or you went to Canada. Those were the choices. and I said, look I don't want to go to Vietnam. I don't have interest in the war. It seemed like the whole war was bad idea. It was becoming very clear at that point. I'm not going to leave the country. And so the easiest alternative was to just stay in school. And I contemplated business school, but in those days, Karen, business schools did not have the cache nor did I think it had the substance that the alternative, law school, had. I looked at law school and I said, well law school looks a lot more substantive in terms of the materials and I could go to law school and study corporate law or business law. I still planned to go into business in some way. Or be in business. And that time, I was still thinking it was going to be the business of construction and building in some way.

INTERVIEWER: Because that was your family?

CHAMPY: It was my family's business. My father was a small contractor in Lawrence, Massachusetts.

INTERVIEWER: And so you still in the back of your mind thought you might go back and join that?

CHAMPY: I was going to build things. I was going to build things. By the way, I still do. In some way it's my hobby. I always enjoyed the trades. My father, who was not only a small contractor, was a tradesman. He was very skilled. He had come, his family had come from Italy as stone masons. So he taught me a lot of those skills. Believe it or not I still have--

INTERVIEWER: Do you carve?

CHAMPY: I don't carve but I can do tile work. I can do what a fine Italian craftsman would do in terms of tile work and stone work and building walls. He taught me all of those trades.

INTERVIEWER: And how much of your house have you done?

CHAMPY: I had done-- I do less these days, but I can show you pieces of work I'm still--

INTERVIEWER: And you married an architect.

CHAMPY: And I married an architect. I didn't become an architect but I married an architect. But I said, look, law school looks interesting. And so I went out to visit Boston College and there was a dean there who was incredibly welcoming. And there weren't many people in those days-- graduates of MIT we either went to law school or medical school. Now it's very common, but in those days very few people went on to law school and medical school. But I looked like an interesting candidate so it wasn't hard getting accepted to BC. It was a very fine law school, very fine small law school. And again, I went there anticipating a more casual kind of relationship with the law, but what I found, was that if you go to a law school, which is a real professional school, you can't take the experience casually. And so I got very deeply engaged in law. And it was a wonderful, deeply engaging intellectual three years.

INTERVIEWER: And what did you do at the end of law school? Wasn't Vietnam still there?

CHAMPY: Vietnam was still around, it was still around, was still around. But I was older at that point and I wasn't that attractive any longer as a young recruit. And I had been still living during all those years with MIT classmates, MIT classmates. And one of my classmates, Tom Gerrity, had been at the same time I was finishing law school finishing his thesis at Sloan. Tom had been a Rhodes Scholar, had come back to Sloan to get a PhD and started to research the application of information technology decision making in investment management and portfolio management. In fact, he built, for his PhD thesis at Sloan, a prototype system for managing and pricing complex investment portfolios. That is a very difficult algorithms to daily price things. In those days, you couldn't call your broker and say, what's my portfolio worth today? They'd have to go and do it by hand. And they certainly didn't have automated decision support tools. So Tom started to develop a prototype system for doing portfolio accounting as well as decision support in investment decision making.

And the First National Bank of Chicago that was supporting his research, said to Tom, why don't you start a company to bill this thing for us? And so I was roommate of Tom's. A couple of other roommates, Tom came to us and said, do you guys want to do this thing? We said, what will it take. He said, well the bank will give us a \$25,000 advance on the first contract. And somehow we figured we'd have to come up with \$370. That was it. We each put \$370 into the company. Chicago gave us \$25,000. And we started this company called Index.

By the way, it was to stand for Information Decision Systems. We shortened it. We didn't want to call it I-N-D-E-C-S, so we called it I-N-D-E-X. It was Index Systems. And we were in the business of building-- the first company to build automated portfolio management systems. And we very rapidly grew the business. We built that technology for Citibank, for First of Chicago, for the Bank of America, for Nomura Securities, all the big players. We built their technology infrastructure.

And we were growing pretty rapidly, but we were principally in the software business. Large scale software systems. Our systems in those days cost a couple million dollars. That was a lot of money in those days. And they were very complex systems. So they weren't Microsoft systems that sold by the hundreds of thousands. They were large custom systems. But we could also see that it was going to be a tough business long term and to kind of sustain that kind of business. We weren't on the consumer software business. And we had an opportunity to sell that part of our business.

We were also doing consulting work around the application of technology. And we were starting to develop the reengineering ideas. The ideas about changing not only the technology in the company but the underlying processes. We were systems thinkers and we could see the way work and technology were working together or didn't work together.

And we started to see the opportunity to rethink the nature of work, particularly enabled by technology, even in those days. And so we were developing that consulting practice. We sold the software part of our business and then dramatically grew the consulting practice. And it was out of that practice that came the reengineering book the Mike Hammer and I wrote in the late 1980's, early 1990's.

INTERVIEWER: Now was he a classmate?

CHAMPY: No. Mike had been a young professor at Sloan. He had left Sloan, was an independent consultant consulting on the application of use of information technology in business. He was living in our building. We knew him. He was living in our office building here in Kendall Square. By the way, in those days, those were also the early days when the old Kendall Square as we knew it had been demolished. And it was the years of urban renewal. And Boston Properties had been given the development rights to that area. By the way, company co-headed by one of our other alumni Ed Linde, a wonderful person. Ed and his partner Mort Zuckerman had formed Boston Properties. They have the rights. And they were building their first building. We together with Legal Seafoods became their first tenants. My company was there-- the company that Tom Gerrity and I had started became the first tenants. Mike hammer was also a tenant. We had similar interests so we started to engage Mike in research. Mike never became a member of our firm but he became a collaborator. He never really worked for our firm. He was independent. But we provided him all the infrastructure support and together we wrote the reengineering book. And that became the best selling business book of that decade.

INTERVIEWER: Do you know how many copies it sold by now?

CHAMPY: We think it has sold about 3 million copies in about 28 languages. It's still published in many, many languages. It's still a very popular book.

INTERVIEWER: And its essential message was what?

CHAMPY: Its essential message was work has to be fundamentally redesigned from the perspective not just of tasks and independent activities, but from the perspective of processes. And you had to look horizontally so-called. Not in the stove pipes in the way companies were traditionally structured-- sales, marketing, research and development-- but to run the company well, you had to look at process flows across those departments. With a view towards what was the output of those processes. And that those processes had to be reconsidered and redesigned. That was a very big idea in the early 1990's.

INTERVIEWER: Where did you and he get that idea? How did you--

CHAMPY: We were systems thinkers. But I don't mind telling you where. We started to see, in the work of Toyota. Toyota was starting to apply the quality movement thinking. And the quality movement thinking is process driven also. Very process driven. Not quite as explicitly as we were in our reengineering thinking, but it is more incremental. It's also very, very incremental thinking. We argued, because we saw-- we saw the way Toyota was doing work in a tenth of the time it was taking Ford Motor Company to do it and at a tenth of the cost, even back then. And at the same time we saw the complexity of how a place like Ford was operating. They had these bureaucratic, big organization. General Motors-- to see the chart of General Motors was just confounding. And we argued-- Mike and I said-- you had to start over with a clean sheet of paper. We were much more radical. We said you start over with a clean sheet of paper-- [? visit ?] incremental change. And fundamentally redesign the work processes. And that's what real reengineering was and still is about-- fundamentally redesigning the nature of work from a process perspective.

INTERVIEWER: How many companies actually did that?

CHAMPY: Huge number. And not all with success, because it's a very painful process. And it became the big idea certainly of the first part of the 1990's. Some companies did it successfully. Others didn't. Others never understood what it was. Saw it as just a slash and burn technique. Some still do. People say to me, is the age of reengineering over? I think it's just beginning because you see the process changes companies are going through with the internet. And our process thinking is more relevant today than it was when we wrote the book.

INTERVIEWER: You ready to do a new edition with a different title?

CHAMPY: I'm doing one on reengineering health care delivery and looking at process change in health care delivery. yeah, I'm in middle of that.

INTERVIEWER: Your book, that book, the first one, specifically focused on corporations. I think that was part of the title. How applicable are lessons like the one you were talking about to a research university like MIT and others?

CHAMPY: Very applicable. In fact, MIT did during Chuck Vest's days go through some reengineering activities. Some with success and some not with success. And some of which engaged the faculty. Others other efforts and elements of that really upset the faculty.

And once again, any idea-- and I've always believed reengineering or at least the process perspective of reengineering was a good idea-- any management idea that isn't well implemented isn't worth anything. And part of what MIT did in reengineering was well done. The whole student services organization that exists now today-- the office that is physically here that allows a student to go in with multiple issues in single place to address those issues was a product of that reengineering work. On the other hand-- and I kept trying to persuade MIT that they shouldn't do this-- but there was a focus on other processes that would take a lot of work that actually made the faculty's life more problematic, like the simple process of the delivery of mail. Suddenly the fact that they wouldn't get their mail every day or they'd have to walk somewhere to get it. Yes, costs were reduced but it upset the faculty. It just wasn't worth it. Wasn't worth it.

I have always argued at MIT and elsewhere that process thinking isn't impactful unless you go into the heart of what the organization or the institution does. That means go into the research and how you do research. Go into teaching and how you do teaching. But those ideas are not easily-- the idea of thinking radically. At least when we were doing the reengineering work in the 1990's were not radically accepted. Now they seem more acceptable, particularly with the internet. You see the way the internet is affecting the delivery of education and how there are some students who don't go to class now, they simply sit in front of their laptop. By the way, I do not believe that is an appropriate course for MIT either by any means. But the process change is not easily accepted in the non-corporate world. And I'm experiencing that right now as I attempt to get people in health care to pay attention to it.

INTERVIEWER: Do you think there's an opportunity or a need to do another round of process re-examination at MIT in the wake of the financial plunge?

CHAMPY: Absolutely. Absolutely and it's ongoing.

INTERVIEWER: Will there be?

CHAMPY: Oh there will be. If you look at the initiatives that have come through and what is being orchestrated now to kind of look at ways MIT can actually-- and the good news is, it's good news. The initiatives right now, the lens to which they're being looked at, are a combination of, yes things that can save us money budget-wise on an annual basis because we feel this is budget pressure, but can actually at the same time improve the quality of work and the quality of life. That's the way real reengineering or process work should be done. You don't do it just to reduce cost. You also do it also with a view of improving the performance of the processes. So there are lots of efforts, Karen, going on right now to do that. My concern around that at this point in time-- and in some sense I'm hopeful the concern won't come true-- is the efforts might yield a million here, 2 million there. There have got to be a lot of million, 2 million, dollar efforts to make up the potential shortfall that we will have. And that I'm not convinced yet we've found the bold, big strokes to take costs out. And we may never. We may never in the time we have.

INTERVIEWER: Certainly it's a period of budget cutting where the Institute tightened its belt by 7% last year and it's instructed departments to pull 8% out this year. I wonder to what extent individual departments are being guided in their thinking about trying to improve things at the same time that they cut? In other words, is there mentorship of these cost cutting activities department by department or are they simply being said, given the task of giving a smaller bottom line?

CHAMPY: My understanding is, and I believe that this is the case, they all have mentors. And the message that I've heard is very consistent. This isn't just about cost cutting. Let's see if we can really improve the operations. Improve the life of faculty, improve the life of students, as we do this. That's where you get real inspiration. Look, in the very end, if they're unable to do that, in the very end, we will be compelled or they will be compelled, to take costs out. And that means that they'll have to take what is probably more draconian steps. I'm hopeful MIT will not have to come to that. The good news is our portfolio has not been down as much as it had been predicted it might be down. And we went into this, this economic decline with a very solid budget. We weren't drawing down the endowment to any undo degree or unnecessary degree. We actually have been running, I think, very responsibly financially. So we weren't in a hole already. In that sense, I think we're in better condition and then other institutions.

INTERVIEWER: Do you see-- one of issues that's floating about in public debate right now it's a question of whether tuition is too high and why universities spend so much and can't pull it down. There's a separate thread of debate about why all this cutting when endowments are so large at least a handful of institutions. And while MIT isn't up where Harvard and Yale and Princeton are, it's large compared to 99% of other in-- do you think there is room to spend more on the endowments today? To do things like cushion the blow instead of doing the budget cutting.

CHAMPY: To answer that question you really have to take the endowment apart some. And recognizing that although-- let's be MIT specific-- although the endowment might look like a big number, let's say a \$10 billion number -- it keeps moving around. A lot of that is restricted. It's dedicated towards main professors, towards research funds, and so MIT doesn't have the ability simply to draw from it and redirect its purpose. It's a relatively small percentage-- I'm sure I don't know the percentage-- but it's a really small percentage or smaller percentage that is just unrestricted. So we don't have complete freedom.

INTERVIEWER: Although some of it's fungible, right?

CHAMPY: Some of it is fungible. Some of it is fungible, yes. The danger-- and by the way academic accounting always suggests for years you should draw your endowment down by no more than 4 or 5% a year because there are assumptions about inflation and you can decapitalize your endowment if you draw down too much. Actually that's the case. Particularly if we start drawing down.

And we found ourselves in that condition a few years ago when we undertook this large construction project. We actually went deeper into our endowment with the agreement and support of the Corporation. We had a vote that we would drive down the Corporation by-- I'm sorry, the endowment down by an additional \$500 million than we normally would to support the construction of several of the new buildings here on campus. And we would incur debt that we have never incurred before because we had a debt-free balance sheet basically. So we became more aggressive in our policies and practices, but what we found was that in order to kind of pay off the debt, we were drawing down more and more of our restricted funds and it was starting to deplete our restricted funds. So we stopped that practice.

Now look, to the earlier part of your question, the cost of education is high-- too high. And there are things we have become comfortable with that we probably shouldn't be so comfortable with. Like travel to Europe and Asia for students has almost been seen as something that there's a right to. And I believe our students should travel, should experience the world, it is a global economy. But those programs are incredibly expensive. And we do have programs around here that are very expensive. And there's a need to look hard at the costs.

But I'll tell you, if you said to me, what's the real need at MIT from a financial perspective, I'd tell you that our endowment is far too small given the ambitions of this place and what it is we can do. And what we should be focusing on is dramatically growing the scale and size of our endowment to probably twice what it is today. There are things that we need to do and should be doing an institution that we will find we just can't afford to do. We have the talent to do it, but we can't afford to do it. Because we don't have the wealth. We do not have the wealth, we do not have the wealth that Harvard-- even at its depleted state-- has. And so I think there's a need to dramatically increase the size of our endowment.

INTERVIEWER: But why wealth rather than income to do some of these things you're thinking of as opportunities now? How do you think about that balance?

CHAMPY: How do I think about that? If you go income, you've got to increase costs typically. If we go and just expand let's say the research portfolio-- and by the way research is growing at this point in time in 2009-2010. That's very good news. The increased income from endowment-- I'm sorry, from research will help us get through partially this hard time. Because that allows a little more recovery of costs. Not as much as we would like because those costs just spread across the-- the real costs gets spread across--

INTERVIEWER: This is money earned on patents, for example? Or when you talk about money from research?

CHAMPY: There's basically an overhead charge.

INTERVIEWER: Oh, okay. That's what you're-- fine.

CHAMPY: But that just means that we spread some fixed numbers over a larger pool. So we might get a little bit more. Look, some of that research-- additional research money can support some growth. Some additional research assistants certainly. Some post-docs. The numbers, by the way, over the last several years of graduate students verses undergraduates have grown dramatically. As you know, we've held the number of undergraduates pretty firm, but graduate students are up 50% what they were when I was a student in numbers. That's because the research volume has grown over time. Now that's great. We can turn out more graduate students. But it also means it's more expensive. So it's a long answer to your question. The increased income is going to increase costs also. It doesn't mean and that we might not find ways of other income. But I think the safest way and the most secure way is to simply increase the size of the endowment. There other reasons to do it. Certain sponsors of research like foundations will not pay their fair share of overhead. They refused to pay overhead other than token numbers. And so we have faculty who want to pursue research grants from foundations, well-intended foundations that want to support very good research. And we have to basically supplement the cost of doing that work. We want to do that, but we just need more money. We need an endowment. So I think the answer is in a big endowment.

INTERVIEWER: You're somewhat unusual on the Corporation in that you've worked at MIT as well. Can you talk about how you became executive vice president of the alumni association and what you learn found that and the role of the alumni?

CHAMPY: I could argue that those were, in addition to what I learned back as a student, those were also very valuable days in developing my leadership skills and my management skills. It was an interesting time in my life. I had gone back. I was working part-time for this new venture that I mentioned earlier, the company we had formed, Index Systems with Tom Gerrity, my classmate, and friend. So business was growing. But I also had an intention to go back and join my family's business and to help my father and build that business. And I was actually torn between the two. And so I was working in both places. I was spend time here in Cambridge. I'd spend time back in Lawrence. In those days maybe more time back in Lawrence than I was here in the business, in the Index business. And then my father died very suddenly. He died very suddenly. It was 1973-- probably 1973 I think that was. And it became clear to me that for family reasons-- there were other family members active in the business-- the business would not continue and should not continue. And so I started to close down the family business and work with other family members to close it down. Interestingly, my father had a very good eye for real estate and collected some of the old mills, the smaller old mills along the Merrimack River. Kind of the one thing he left me was an interest in a few of those mills. And I kept them for awhile. I mean they weren't money making in those days. You didn't build wonderful lofts and sell them for hundreds of thousands of dollars. They sometimes cost more to keep than the rent you got on them. But I kept going up to Lawrence, I remember that for years, to kind of see those things. And eventually I sold them. And it provided me with a little bit of income. It was the one thing that a little bit of wealth that he left for me. It was small but it was helpful and i thank him for that.

But about that time as I was going through that transition, Jerry Wiesner, who was then president of MIT called me up one day and he said, would you come see me, I'd like to talk to you about something here. I said, fine. I'd gotten to know Jerry as a young Corporation member. I was still on the Corporation as a young Corporation member. And I loved him. He was a great intellect. Tolerated no fools. Was a great intellect. And Jerry said, look, I'm really not pleased with the alumni association. We are going to make a change. There are things-- I think it needs a new leadership. I love the Technology Review. I think it could be so much better. We've got something great now but I think it could be a better magazine than Scientific American. Scientific American was the big popular science journal. I remember Jerry saying, I'm trained as a physicist here, I can't understand what's written in Scientific American. I can understand Technology Review. We had a great editor in those days-- John Matill-- editing the Review. He said, I think we could build the review into an international publication. So why don't you consider coming here and taking this job on as executive vice president of the alumni association and publisher of the Technology Review. I said, Jerry, I've never done anything like before. He said, no I think it'd be good. You can do it, you can do it.

INTERVIEWER: So you were quite young, this is 10 years after graduation--

CHAMPY: I was young. It was 1974 I would may have been 32.

INTERVIEWER: 11 years after--

CHAMPY: Yep, I would have 32. It was 1974, 32. and my father had died. It was interesting because it would give me a chance frankly to leverage out, get back out of Lawrence, get out of Lawrence to get here. I would have to say to Tom and my friends that basically I'm going to leave this venture. I could stay on the board maybe, but I'm going to leave this venture. I could be an adviser, but the offer was to work at MIT full-time. Now interesting, it wasn't just Jerry's decision. There was a board of the alumni association who made that decision as they do today. But Jerry called Bill Edgerly who then chairman of the State Street Bank and was chairman, the volunteer chairman and president of the alumni association. And he said to Bill, I've got the guy to be your next EVP. I had never met the board. I have no idea of the nature of the discussion between Edgerly and Jerry. I mean I was so naive when you think about it.

And I went to meet Edgerly. I remember going to the bank, the State Street Bank building, downtown meeting Edgerly-- lovely man. Lovely, lovely man. Lived here in Cambridge. The bank was doing very well. Edgerly was a great leader of the bank and we struck it off. And he said, yeah, you can do this job. Literally he took me into a board meeting for the alumni association and I was elected executive vice president and I had a job. Now I had a dotted line to Paul Gray who was then the chancellor. He was called the chancellor. He was clearly the number two guy. He shared the office suite with Jerry. So my operating responsibility, because the association and the review were funded by MIT, was to Paul. But I had a dual reporting line, solid line to Edgerly and the board. And every year that solid line would change because the alumni association would elect a new president. So I got to meet and know during those few years a wonderful group of folks. Luis Ferre who was Governor of Puerto Rico, was chairman. All these folks also became by virtue being chairman or head of the alumni association, Corporation members. By the way, I had to leave, resign as a Corporation member because I couldn't be an employee of MIT and be a trustee. That's not allowed by the by-laws.

INTERVIEWER: Had Edgerly been on the Corporation also? Did he know you from that at all?

CHAMPY: Yes, yes he did.

INTERVIEWER: So that probably signaled that here's an okay guy.

CHAMPY: I was an okay guy. I got to know Hal Aldridge who was a great and wonderful alumnus. As I said, they were all-- Joe Moore who was one of our alumni leaders from Texas. These were wonderful-- Ed Vette who then became Undersecretary of Commerce. These were all folks who were head of the alumni association while I was there or very active in one way or another. Joe was head when in 1978 when I decided to go back to private practice. But those four or five years were, again, growth years. I had never done anything like this before at an organization whose morale was very low. They were in a building, it was called the Ford building. They weren't in the main building complex, they were off in a building. The head, my predecessor, actually had a beautiful office almost across from Jerry's office. And so for a while I lived in that space. But all my staff were in another building. And I finally went to Walter Rosenblith, who was then the provost, who was the Space Czar. I said, Walter, I have this lovely office. All my people are over there. I'm calling the movers. I'm going to move. So I moved. I called the movers and I moved.

And I started to rebuild the staff and I started to restructure the staff. I had no experience in that. And there were things I did well and things I didn't do well. I was particularly-- I took too long to make hard decisions about people who really had outlived their jobs. I was young. These people all had important relationships with alumni. And in retrospect, as I spoke with them after I finally made the hard decisions, sometimes after a couple of years, I saw how painful it was for them. And it was-- I learned then the lesson of having to make those hard decisions early rather than later for the benefit of a person who is struggling in their work versus waiting.

But I restructured the place and created the first kind of regional organization for the alumni association. Where we had so-called regional directors who oversaw everything that went on in a region. It was a great restructuring. I also felt that we were far too remote from the campus physically. And I went to Walter Rosenblith who was then the space czar again. I said, Walter, I'll make a deal. Somehow space became vacant in the first floor of building ten under the dome. Half of it was occupied under the dome by the Department of [? Electrical ?] Engineering, but the other had becomes vacant. So I went to Walter and said, Walter, this would be the ideal place for the alumni association. We have visitors. It's high visibility. Students would see it. We could build in the center a little museum-like room to have shows and displays. By the way, that room is still there. It's an extension of the MIT museum.

I said, Walter, if you give us that space, I will raise the money to rehab it together with rehabbing 10250, the lecture hall, I said, we'll raise the money to do both. I made a deal. I remember walking through the space with Walter, walking in 10250, 10250 was in terrible disrepair. I said, Walter, we'll raise the money to redo this. I go to alumni. They remembered this room. This is where they learned chemistry in those days. Physics was taught in 26100. Chemistry what in 10250. Everybody has had chemistry lessons here-- I'm sorry, chemistry courses here. Anyway, I made the deal. We raised the money. We got the architects. We raised the money for 10250 by selling chairs. And if you remember, for years, those plaques are gone, but there were names on those chairs for many, many years of people who gave us a gift. But I think those plaques are all gone at this point.

INTERVIEWER: So do you think it's a problem that the alumni association is no longer so central? Here it is off on one far end of the campus?

CHAMPY: In one sense it's the problem. I wish it were more central. The benefit of being off is it is now housed in the same building as the development office. And it's very critical for a close collaboration and operating and working collaboration between the development office and the alumni association. So in that sense it's beneficial, but I think there is a loss. And I'm hopeful that at some point MIT with build, will have the funding, when we get financial strong again, to build some sort of a visitor center. Something to welcome alumni here, more central to campus.

INTERVIEWER: Because no one goes off down there. You wander through campus and you sort of feel-- I used to drop in at Building 10.

CHAMPY: But I'm hoping we can we can get some piece of real estate back. For visitors, for not only alumni but for people interested in coming to MIT and for other visitors, yes.

INTERVIEWER: So what's the role of the alumni and the alumni association and how has it changed since years you were EVP and now?

CHAMPY: I think not very much. And I don't have a value judgment Karen, around that. Look, I think the role of alumni are principally to be supportive of this Institution. Both in terms certainly financially but also in terms outreach and the outreach that alumni actively do here. As you know, they continue to be educational counselors attracting new recruits. Providing programs for other alumni in their region. Very, very active. In fact I think they're more active in their regions than when I was EVP. Keeping alumni intellectually engaged. They are the organization that keep them intellectually engaged. But certainly providing the-- when I say we've got to double the size of our endowment, I think in the end it's going to be our alumni who help us do that. So it's very much support.

And also, remember out of the alumni body come most of our trustees, most of our Corporation members. And it's out of the alumni body I think that we rightfully draw most of the people who maintain in so many ways the trust of MIT for the future, for the present and for and for the future. And you might say, well that's only 60 alumni every year. Those are very, very important 60 alumni. Who come, many of them, either activities in the alumni association or because in some way they've been independently actively supportive of MIT. But if you said to me nothing else that's the alumni body does, it breeds the folks that become the governing body of this place over time. Now alumni are also active on our visiting committees. And the alumni association feeds a third of the members of our visiting committees. So alumni, again, play that very, very active role in the oversight of the quality of education and research here. You always hope and I was always had an ambition when I was running that organization, and even as I look at it now, we could engage alumni even more fully in their lives. But the truth, is alumni have other lives. Some of them choose to dedicate themselves more back to MIT. They have other lives.

INTERVIEWER: You became a member of the MIT Corporation first in 1969, and you were just six years out of college then. How did that come about?

CHAMPY: Again, those were challenging years. There were the early signs of conflict around Vietnam. But also there was a recognition-- I don't know who made the decision, but I remember it was Ken Wadleigh, the then dean, with whom I had a long relationship, who called me and said, the Corporation believes that it needs the perspective of a younger alumnus, of some younger alumni. And it you went and sat with the Corporation at that point it was mostly wonderful but grey-haired, older, white men. That was it. That was it. And Ken said, the Corporation itself has a sense it needs a young alumni, so they would like to-- would you consider if they nominated through their normal channels to join the Corporation? I was very taken back and flattered by that. I said-- you know, I had actually moved back up to Lawrence although I was commuting between my Index work and the Lawrence work. And I said, okay, I will do that. And again, it was another learning and leadership experience. Because suddenly now I was in the middle of all these great white, grey-haired, white men. Who were again, some of whom are still with us. Carl Mueller-- Carl was there. And I remember some of them. Louis Cabot who is still with us. These patrician, thoughtful, dedicated people who took governance very seriously. But they were aging. Boy it was clear. And I did bring a voice. Now I think I have the good sense to be quiet and to listen and to add as my perspective when I thought it counted.

I think I did my best work on committees. I actually became the chairman of-- after one of the Corporation members who became a very close friend-- there was a Corporation member by the name of Gregory Smith who was then chair, I'm sorry the CEO the Eastman-Kodak Company. It made gelatin-- it made the gelatin for Kodak films. He was actually a masterful amateur, trained photographer. But he produced the gelatin for the films. He was very liberal. He was the most liberal thinker in a political sense of the Corporation. So he befriended me and we became close allies. We always sat next to each other at the Corporation meetings and he'd whisper in my ear what he really thought. He'd go on and read go on. But Greg was the first chairman of the group called CJAC, the Corporation Joint Advisory Committee for Institute-wide Affairs. I'm one of the few people who remember what that really stands for. But there was a combination of Corporation members, faculty members, students, who were to examine Institute-wide issues. And there were tough issues in those days. What do you do with the laboratories that were doing defense work? And those were tough issues that we were advising. It was an advisory committee. And we worked very hard. I then succeeded Greg as the second chair of that committee. I also eventually became chair of a Student Affairs' Visiting Committee. It became Wadleigh's and then the successor dean --

INTERVIEWER: Nyhart?

CHAMPY: Dan Nyhart, I became the chair for Dan. Dan and I became very close friends at that point. I got to know Carola Eisenberg who then became the dean. Carola was the dean of students when I was here as EVP. And Carola and I did a lot of work together with alumni. A lovely, lovely woman. But I was chair of the Student Affairs' Visiting Committee.

And for some reason I was appointed chair of the visiting committee in the Department of Mathematics. I was not a mathematician but we all had to take turns as Corporation members chairing. So I did my best work as chair of these committees. Again, I was very young. I was very young, but I was developing my manage-- but my skills were primitive. My skills were very, very primitive in those days.

But that was again experiencing the way the style, the management style and style of these really great mostly men. Mary Francis Wagley was there. They were a couple of women., very wonderful women.

INTERVIEWER: She was the first one I believe.

CHAMPY: She was the first one. Yeah, I remember Mary Francis. Luis Ferre. These wonderful characters who I had a chance to interact with really as an equal in many ways. I mean they were far more accomplished than I ever would be.

INTERVIEWER: What do you think, what difference or what impact do you think CJAC had? What the joint--

CHAMPY: Oh great, great impact. Look left, on its own-- well, you don't know whether MIT too would have made changes, but I think it would eventually have had to make changes around Draper and what it was doing. But there were forces at work. And CJAC was one of the forces. And it was very thoughtful, very, very thoughtful deliberations around some of those tough issues around whether we should spin off those kinds of activities.

INTERVIEWER: Separate from the Pounds Panel--

CHAMPY: Separate from the Pounds Panel.

INTERVIEWER: --which was deliberating.

CHAMPY: That's right.

INTERVIEWER: And did you bring student views back from CJAC to the Corporation on in your committee report? Is that--

CHAMPY: Yeah, I'm trying to recall the kinds of things. You know, they seemed to be things of great importance then because we were having great and deed intellectual debates about some of these things. But I honestly can't recall what those things were. I remember the war related things and the lab related things. But the committee seemed to have great purpose. If nothing else, by the way, it exposed faculty and students to the Corporation. And it still does that. There's a great deal of mystery here on the campus as to what does the Corporation do and so the committee engages like that.

INTERVIEWER: Although after your appointment as a Corporation-- a young Corporation member, the Corporation institutionalized the election of young alumni.

CHAMPY: Yes. And at any point in time now I believe there are five of them.

INTERVIEWER: Right, elected one a year for five year terms. MIT is known for producing people who are fluent in numbers. I guess it admits them. But not so well known for producing writers. And besides being a consultant, you've written many books and articles that have won you worldwide reputation really. What moved you to write so much?

CHAMPY: You know, I didn't start out in my career as a writer, if you will. As intending to become a writer, particularly of a number of business books and management books and articles that I produced. But originally it was because Mike and I have been very much at the center-- Mike Hammer and I had been very much at the center-- together with my other colleagues at Index. Tom Gerrity particularly, and others. Tom later went on to be the dean of Wharton. Great management thinker. Great contributor to our reengineering ideas. But we knew we had what we thought were very important set of ideas around process. And so it was our head of marketing who said, look we should capture these ideas and in some way brand them with our firm's name. So why don't you and Mike write a book.

Mike at the time, I think even better than I, were reasonably good at expressing ourselves verbally. I think we were better than many engineers and system folks in those days. So we seemed to be the obvious authors. And so we said, fine, let's go get us some editorial help to do this, some research and editorial help, and a book agent. And so we had a book agent, a very good agent who's still my agent, by the way, 20 plus years later. And still the woman editor who we hired to help us with the book still works with me personally in all my writing and editing of my work. We engaged these people and my agent went and sold the rights to reengineering right immediately to Time-Warner. And Mike and I begin writing. And we begin writing based on our experiences on the real reengineering work we were doing. So we wrote cases and then we were extracting principles and developing the book. By the way, what I had learned-- I had written at Boston College for the Law Review, had learned to write as a lawyer. That was a terrible writing style as you know. And so I had to relearn how to write. I also learned that we had a tendency particularly as consultants to communicate in jargon and words that meant something to us but nothing to anyone. And so I went through in the writing of that book a tremendous reeducation with the help of an editor, to in many ways dumb down my language to make what I would write and what Mike would write more accessible. And we learn in the production of that book how to take ideas that appear to be lofty, big ideas and to make them accessible.

Now there's always been a tension in my work around that because you do feel you're dumbing down the ideas. You know you're not putting all of the subtlety in it that you want to put in. And that you know that is involved in the practice of these ideas. You try to get into the subtlety-- and you and I have probably have read many management business books that just go too far. You write a book that's hard to penetrate how to get through that the reader drops. And I learned, again, that you've got to keep the reader in the book. And you keep the reader in the book by making your ideas, through the whole book, very acceptable. And yes, maybe dumbing them down. By the way, I think my writing would not hold up in an academic setting, you see. I know that.

INTERVIEWER: It's a different kind of writing.

CHAMPY: It's a different kind of writing.

INTERVIEWER: Do you think MIT does a good enough job in teaching students about the importance of learning to write well and in helping them learn?

CHAMPY: I think it's doing a good job now. I haven't done an assessment, Karen, whether it's doing good enough at this point, but it's doing a much better job now. There was a writing course or two around when I was here, but no focus on that. No, I learned from my editor who kept editing and editing. And by the way with Mike and I, that process went back and forth for three years. To a point where Time-Warner believed that we would never finish that book and they actually dropped the book. They canceled our contract. I got a call from our editor one day, and she said to me the Time-Warner editor who was in charge of the project, she said, we don't believe you guys will ever finish the book. You've never written a book before. You're taking too long to do this. Please give us our advance back. So I went to Mike. Mike was very upset. I was managing the business of the book at that point. We gave them their money back. I said to our agent, try to resell the book. Well, the book was very well along. And she resold it to Harper Collins within a week. And that became, as I said, the biggest selling business book of that decade. That was a standing joke at Time-Warner for years that they had pulled out. But those three years, it was back and forth, back and forth. I can't count how many revisions we did before anything went to a publisher. Because Mike and I would kind of elevate the language, the editor would kind of dumb it down. And we'd go back and forth. And I still-- I go back and reread that book myself. To kind of tune my own language and writing.

INTERVIEWER: So MIT offers a charm school during the January IAP to students. I wonder if it should offer a one week crash writing. And you could do a day and Dana Mead could do a day, and I bet there are a handful of other--

CHAMPY: I would do it.

INTERVIEWER: Would you?

CHAMPY: I would do it. By the way, I have the most fun and I learned this in writing very short pieces. Because those have to be so well directed just to keep someone in and around a single idea. But I learned to enjoy it. By the way, writing a book is not necessarily an enjoyable practice. Okay? It's a lot of work for what often comes out of it. But writing short pieces is fun so I do enjoy it.

INTERVIEWER: One final short question? What do you think keeps driving you to put so much time and effort into MIT? Is there some chemistry between you and the Institute?

CHAMPY: Look, there certainly has to be some underlying chemistry. But I have to tell you, I don't feel it every day. I'm kind of numb to it. I am. At this point in my life, I can make choices of where I want to spend my time and what I want to do. I think very explicitly about the institution that I want to spend most of my time with. And that isn't so much being worthy of my time but where I might be able to contribute something. And where if, as long as I'm welcome, selfishly I have the opportunity to daily just engage with an extraordinary group of people. Our students are better than ever. Our faculty is better than ever. Our leadership is it just better than ever. And so I don't see-- I really believe this-- another institution of this quality. So for me, it's a privilege just to be able to come here. And as long as I'm let in the door and I have a little bit to offer, it's simply the very best place to spend my time. That's it.

INTERVIEWER: It's a privilege to have had you talking to us.

CHAMPY: Thank you.

INTERVIEWER: Thank you for spending your time here and for your thoughts and insights.

CHAMPY: Thank you.