

Charlie Mechem:

Welcome to 15 Minutes with Charlie. I'm your host, Charlie Mechem. This is a series of podcasts that I've been doing in connection with my recently published book, Total Anecdotal, in which I sit down with guests to discuss anecdotes from the book. Today, I have a particularly special guest because he's a very dear friend of mine, Russ Meyer.

Russ has been described, and I think accurately, as the most successful and best private aviation executive in the world. He's the Chairman Emeritus and former Chief Executive Officer of the Cessna Aircraft Company. He's been awarded the Wright Brothers Memorial Trophy, the Collier Trophy, Meritorious Service Awards from the National Business Aircraft Association, and has been inducted into the National Aviation Hall of Fame. He graduated from Yale and then law school at Harvard. He was a close and long time friend of Arnold Palmer, who in addition to being a noted golfer was also a Cessna owner and pilot. Russ, welcome.

Russ Meyer:

Thanks, Charlie. It's nice to be here and chat about the comments on your book.

Charlie Mechem:

The first anecdote that I asked Russ to react to has to do with Peter [Redford 00:01:39], who was one of the really great business minds of the last 75 years. And here's what he said, and it has to do with the whole issue of adaptability and flexibility. Here's what he said regarding change. "We no longer even understand the question whether change is by itself good or bad. We start out with the axiom that it is the normal. We do not see change as altering the order. We see change as being ordered in itself. Indeed, the only order we can comprehend today is a dynamic, a moving, a change that you want." Russ, your thoughts on that.

Russ Meyer:

Well, certainly Charlie, as you get older, you recognize that much more clearly, I think, than when you're in high school. You look to the future at that time with very little specific... Back in our day, as you know, we had no TV, we have a five digit rotary telephones, and we had stick shift automobiles, we had two lane highways, and were not thinking about the kind of rate of change. Looking back today, to think the change that has taken place in our lifetime, and to just mention the feat of a good friend of ours, to think that the 1954, when I was a senior at Yale University, I was traveling between Davenport, Iowa and New Haven on a DC3 out of Moline, and a DC4, as you know, four engine propeller aircraft. That was in 1954.

15 years later, Neil Armstrong walked on the moon. So the pace of change and the acceptance of it and the rate of change, particularly in communications today and the access to information has just... So I think Peter was absolutely right. And the older I get, the more right I think he is.

Charlie Mechem:

We can look back, as you just did, over our lives and think, my God did all this really happen? And it did, and there's more to come. The next anecdote is in the book under the heading of Art of Negotiation. A good piece of advice, listen to the older, wiser heads. Those who have been there give you a point of view involving a CEO of a company with whom my old company Taft Broadcasting had a joint venture. The chairman, Jake Davis of the Kroger Company was an unforgettable character who had been a good friend of my father's and was wonderful to me when we moved to Cincinnati. I remember him for many

reasons, but the thing that probably sticks in my mind the best is we were talking about negotiation that we were both involved in and he said, "Here's what I want to propose to the other guys." And I said, "Jake, we can't offer that kind of a deal. It's too one-sided." And he sort of smiled and said, "Charlie, let me tell you something. Never be ashamed to offer a guy a lousy deal."

I've laughed about that often, but people approach negotiations in a variety of ways, Russ. Some people, it's a take it or leave it kind of thing. Others are maybe too accommodating. I'd like your thoughts on negotiations.

Russ Meyer:

Well, your anecdote reminded me of one of my favorite stories. We had a good friend, late friend now, named George Ablah in Wichita, Kansas. You may have heard the name when you hear the story or remember who he was. George was an absolute brilliant real estate entrepreneur. Back in the early '80s, when Chrysler was on the brink of bankruptcy, George realized that the Chrysler Realty Group was a major opportunity because they had properties from New York City to Honolulu and so forth, which George knew were worth more than they had on the books. George went to a guy named Charles Koch, also a good friend from Wichita. And they became partners in a company called ABKO. They acquired Chrysler Realty and they were right, because if they had gone bankrupt, the property was worth a great deal more than listed. And if Chrysler came out of bankruptcy successfully, they would have no choice, but to buy it back and of course they would sell it at a large number.

The latter happened. In fact, Lee Iacocca's book, he said, one of the dumbest things he did as Chairman of Chrysler was to sell Chrysler. But in any event, George was a good friend. The point of my story is that we had a small aviation advocacy group in Washington, DC headed by a wonderfully effective guy named Ed Stinson. Ed had graduated from Harvard and went to work for one of the senators and then was with the FAA. And then he became the head of our General Aviation Manufacturers Association. For years, we had an office on Connecticut Avenue. In the late '80s, early '90s, we needed more space and we had to move, which meant Ed had to start dealing with the real estate agents.

He found some property, some office space that he really liked over on 14th and Caney. He called me and he said, "This is kind of what they're asking. Do you have any thoughts?" And I said, "Well, tell me the details." So he said, I don't remember them, but let's say they were asking \$18 a square foot. We were only paying about 10 or \$11 a square foot at Connecticut and so forth. So I called George and I said, "George, this is a..."

Charlie Mechem:

[crosstalk 00:07:48] that they got issues.

Russ Meyer:

But I said, "I'd appreciate your advice." I told him the background on what the numbers were. And George said, "Offer him \$10 a square foot." And I said, "Really?" He said, "Offer him \$10 a square foot." So I called Ed, and Ed said, "I can't go in there and offer... I would be embarrassed." So I called George back and he gave me a piece of advice that I've never forgotten. He said, "No matter what the number, you will never embarrass a real estate agent."

So, end of the story, Ed went back, met with the guy and he called me a little bit later and he says, "You're not going to believe this. He was not only not embarrassed. He accepted it."

Charlie Mechem:

He was excited. Now that is funny. Negotiations are tricky. My view has always been, the result of a negotiation should be to make a deal. Some guys approach it to prove that they're smarter or tougher than the next guy. And that usually doesn't work.

Russ Meyer:

Well, I fully agree with the comments you made in there. A good deal is a good deal for both parties.

Charlie Mechem:

Exactly.

Russ Meyer:

If you had said, maybe both parties a good deal would both be a little unhappy, but on the same token, they will both be happy and you're trying to create a partnership and working with people and so forth.

Charlie Mechem:

I think, not to get into politics, heaven help us, but I think it's one of the biggest problems in Washington now. It's not just a polarization. It's not really being interested in reaching a deal. We want to fight. We want headlines. Anyway, that's a whole other subject.

The next anecdote is on page 58 of the book, under the heading of Forecasting the Future. I thought this would be particularly appropriate to ask Russ about since it involved one of the great airlines in the past. Over 40 years ago, one of the nation's biggest airlines announced that it would be the first to take people to the moon. This seemed fitting in view of its strength and stature at the time. Guess what airline it was? Pan-Am. Your thoughts on that.

Russ Meyer:

Well, Charlie, I'm especially interested on that because Juan Trippe, who was the revisionary founder at the time of Pan-Am many, many years ago, I had an opportunity to meet at one point. They were indeed a great airline. They, in fact, Helen's uncle was a long time captain for, he flew the Pan-American Clipper, back in the late '30s and through the 1940s. And you think of how those guys were flying back in those days, it's pretty impressive.

But in any event, while Juan Trippe founded and ran a great airline, he also got into our business a little bit with [NASSO 00:10:56]. And he, by the way, was the partner of A.L. Ueltschi who founded Flight Safety, which was and has been an amazingly successful company. However, when deregulation came along and the great airlines like Pan-Am... And TWA is another one that's gone, it was a great airline, had an enormous amount of embedded costs. They were way overpaying their crew. The crews typically didn't live anywhere near where they were flying. And the new airlines came along without airplanes on their balance sheet, without humongous crew costs and so forth. And unless they were able to adjust quickly, which Pan-Am was not, they did not survive.

As recently as, the first time I flew a 747 it was with Pan-Am in the early '70s, and I think about 10 years later, they were gone. And it's simply a pretty good example of a company and an industry that could not cope with the rate of change.

Charlie Mechem:

Right. That's the key. The next anecdote is one that I've asked a number of our interviewees about, because I think it's so important to get their perspective. It's under the heading of the book of Hard Work on page 68. A man prayed and asked God to help him win the lottery. Every day, he renewed his prayer and finally said, "God, won't you please help me win the lottery?" To his absolute amazement, the skies darkened and lightning flashed, kind of strong, deep voice said, "Would you at least buy a ticket?" We so often expect good things to happen without effort. I'd like your thoughts on the importance of hard work.

Russ Meyer:

Charlie, among others, I could not agree more with your comments. I've learned in my lifetime on whether it's a construction job or trying a lawsuit, or trying to start a new company or developing a new airline or a new airplane. There is no replacement... You obviously have to have intelligent people, but hard work. You and I both did a little litigation as lawyers. And I can tell you, as I know you agree, that the guy who wins the lawsuit is not necessarily the smartest, but he's absolutely the best prepared. You look at athletes, and while lots of men and women are blessed with great talent, I don't know anybody in any sport that where they're outstanding performers were not people who not only had great talent, but also worked harder than anybody else.

Charlie Mechem:

You undoubtedly know the story, I just was thinking about it. When Nicklaus was first, Jack Nicklaus was first coming on the scene, he wasn't totally satisfied with his game that day. And it was almost dark, it was raining. He went to the range. There was only one guy on the range, that was Arnold Palmer, our dear friend. People thought and think that golf games like Jack and Arnie just happened. In fact, somebody said, to digress slightly, but the great Mickey Wright who passed away a few days ago and was often credited with having the greatest golf swing ever, man or woman, somebody once said in an article just recently, Mickey Wright was born with a great golf. I talked to her about it. She said, "Surely that's the biggest bunch of... You're not born with a good golf swing. You work and work and work." And as one of the other players said, "Mickey was the first woman player that knew how to take a divot. She knew how to play."

Anyway, the next one, anecdote... Oh, by the way, let me go back a minute, because when we were talking about the art of negotiation a moment ago, I just remembered something that a law partner of mine said to me, years ago. We were talking about negotiations and he said, "Charlie, in my experience, the guy that wins most negotiations is the guy with the biggest bladder." He can stay in the room and the other guy has to leave and somebody gives up.

Russ Meyer:

Yeah. I love it.

Charlie Mechem:

Okay. Next anecdote is on page 74 under the heading of Intelligence. Albert Einstein had little use for roach learning. Instead, his creative genius stemmed from his ability to imagine concepts. He summed this up by once stating, "Imagination is more important than knowledge." I'd like your thoughts on that.

Russ Meyer:

I would equate imagination with vision. I think they're pretty similar. And you look at, there are so many intelligent people in the world, but there are a few in literally every endeavor who have the vision to create something. Certainly, Bill Gates had a vision. There were a lot of very smart people like Bill, but nobody could put it together as he did, I don't think.

Looking at our end, in the sports industry, Charlie Mark McCormick was really the forerunner of a complete industry of representation and promotional activities in the athletic world. I don't know Elon Musk personally, and some of the things he does seem to be a little crazy, but the vision he has with respect to space and with respect to automobile and battery powered seems to me to be just a few people have that wonderful ability to sit back and view things maybe differently, more effectively than anyone else. But they have to be intelligent and oh, by the way, they have to work pretty hard at what they're doing as well.

Charlie Mechem:

They go together. Who was it that said, "The harder I work, the luckier I get."

Russ Meyer:

Well said.

Charlie Mechem:

Thank you for joining me for today's conversation. If you'd like to listen to more episodes, please visit [charliemechem.com](http://charliemechem.com) or search for, 15 minutes with Charlie, in your podcasting app. And if you're enjoying the show, you should check out my book, Total Anecdotal, the Fun Guide to Help you Become a Better Speaker and Writer. Learn more at [charliemechem.com/book](http://charliemechem.com/book). That's [charliemechem.com/book](http://charliemechem.com/book). Or you can acquire the book either through Amazon or Barnes & Noble. Thank you.