

Chrysler Talk

Long relationship with Chrysler

Harry Chesborough -- Chrysler Center
Lee Iacocca, Hal Sperlich -- tough times
Bob Eaton --- guardian angel
Bob Lutz -- modern times

Both Chrysler and UM face same challenges

Good News

UM is better, stronger, and more exciting and vital than ever
Quality

National rankings highest in 25 years
Ebb and Flow analysis indicates we're holding our own

People

Michigan Mandate:

Students: 12% to 23% (AA: 4% to 8.5%)

Faculty: 9% to 12% (AA: 2.6% to 4.8%)

Michigan Agenda for Women

Bylaw 14.06

Student Activities

From Americorps to Sunrunner to Leadershape

Financial strength

Not only accommodate loss of state support, but more diverse
and robust resource portfolio (\$2.5 billion/year)

Faculty salaries:

Moved past UC to now rank #1 among publics
(consistent with policy)

Professors: #11 (just about to pass Cornell)

Harvard, Princeton, Stanford, Yale, Chicago, Columbia
Penn, Northwestern, Cornell ahead of us

Assoc Prof: 6th

Asst Prof: 8th

Rise to #1 research university in nation

Campaign: \$670 M (\$150 M per year)

Endowment: \$300 M to \$1 B

Administrative costs: Lowest among public & private peers
(4% of total expenditures)

Wall Street: Credit Rating: AA1 (highest among public universities)

Physical Plant:

Within 5 years, will have completed rebuilding campus

Central Campus

North Campus

Medical Campus

South Campus

\$600 million!

Auxiliary Activities

UM Hospital most successful in nation

UM Athletics rated #1 in US

Excitement

Undergraduate Education

Professional Schools (Medicine, Business, SILS,...)

But...concerns

Throughout past decade, we have all worked to make

UM the finest university in the world, but within the 20th Century paradigm

Sometimes I worry that I may be sounding like the CEO of IBM

ten years ago when he briefed his Board of Directors,
congratulating them on building IBM into the strongest company
in the world.

And yet look at them now.

They built the finest 20th Century corporation in the world.

The only problem was that our society was already
moving into the 21st Century.

In fact, I wake up at night thinking...

...IBM...GM...UM...

...are we next?

Yet, there are many signs that this paradigm may no longer be adequate to serve a rapidly changing society in a rapidly changing world.

The University as a 'knowledge server'

The Challenge of Change

We are living in the most extraordinary of times.

Who would have predicted a few years ago

the collapse of communism,

the end of the Cold War,

the redefinition of the world economic order

the direct manipulation of the human gene to cure disease

the Internet phenomenon, linking 20 million people worldwide

digital convergence, in which phone and computer companies

merge with the entertainment industry

Yet all of these events have happened,

and the pace of change continues to accelerate.

Indeed, many believe that our civilization is going through

a period of transformation just as profound as those

that occurred in earlier times such as the Renaissance

or the Industrial Revolution, except while these earlier transformations

took centuries to occur, those characterizing our times will occur

in a decade or less.

Some portray the 1990s as a countdown toward a new millennium,

as we find ourselves swept toward the new century

by these incredible forces of change.

But the events of the past several years suggest that

the 21st century is already upon us, a decade early.

Note Peter Drucker article in Atlantic Monthly

This last point is very important for today we are seeing

a dramatic shift in the fundamental structure, nature,

and perspective of our society.

We are evolving rapidly to a new post-industrial, knowledge-based society,

just as a century ago our agrarian society evolved through

the Industrial Revolution.

Key in this transformation is the emergence of knowledge

as a strategic commodity, as important as natural resources

or low-skilled labor were at earlier times.

This new critical commodity knows no boundaries.

It is generated and shared wherever educated, innovative,

and creative people come together; and as we have learned,

it spreads very quickly.

Indeed, the "age of knowledge" in which we now find ourselves

is accompanied by a fundamental transformation in our economy

that is reshaping virtually every product, every service, and every job

throughout our country and indeed the world.

My state of the University address

Themes of future

Analysis --> design --> creativity

Solitary --> focused teams --> cross-functional teams

Public-private partnerships

Knowledge-driven futures

JJD Future

University Professor of Science and Engineering

UM --> Ward Speed 7...