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Opening: Today is a New Beginning

Thank you, _____, for that wonderful introduction.

And thank you, Valparaiso graduates, for inviting me to join you on this momentous occasion in your lives.

I want to congratulate all of you for completing the many years of hard work that brought you to this day.

I also want to thank Snoop Dog for starring with me in last summer's Chrysler commercials.

I know most of you know me from TV as the guy who played golf with Snoop Dog...

... and it's because of those commercials that I was the top pick to deliver your commencement speech today.

Because this is a very important day.

Today is a major turning point in your life unlike anything you will ever experience again.

In many ways, today will mark the end of your youth.

You've spent years refining your talents and skills, and exploring your potential... and those years are now coming to an end.

And though you will never stop acquiring knowledge... you will now be accountable for putting into practice everything you have learned up to this point.

You're about to enter a new chapter in your life that could last the next forty to fifty years or more.

So now the real work is about to begin.

So take a deep breath and enjoy these final, precious moments.

And I hope I can bring some value to these moments... by giving you a little insight into my experiences in life.

I'm going to tell you about the path I took... the path to a successful and rewarding business career.

It's a path filled with many positive and joyous moments... and an equal share of negativity and pain.

But that's what life is all about.

I'm also going to show you how the values that guide your life and career today may change when you least expect it.

But that's part of life, too. Because life is all about change.

The World in 1946 & 2006

You are ending your formal education in the year of 2006... and it was exactly sixty years ago, in 1946, that I graduated from Princeton University with a Masters Degree in Mechanical Engineering.

And while your focus is law, my focus was the automotive industry, and I joined the Ford Motor Company as a student engineer.

The world was very different in 1946. While our country today is involved in a war in Iraq, in 1946 we were recovering from a world war that consumed our country's industry... and affected the lives of men and women on every block... in every city.

I was prevented from serving our country because I had rheumatic fever as a kid...

... but 16 million young American men went to war... and a staggering number of my close friends and acquaintances lost their lives.

But the end of World War II created a new optimism in the country... and a baby boom that produced most of your parents.

There was a belief that anything was possible... and prosperity was within anyone's grasp.

My father spoke for my entire generation when he told me:

“LEE, YOU HAVE THE FREEDOM TO BECOME ANYTHING YOU WANT TO BE... IF YOU WANT IT BAD ENOUGH... AND YOU'RE WILLING TO WORK FOR IT.”

My Path to Success

And I *was* willing to work, and I worked hard. And I quickly became a Ford Sales Manager. And by 1949, just three years later, I was a Zone Manager in Barre, Pennsylvania.

After 10 years with Ford, I was promoted to District Manager in Washington, D.C.

In 1960, I became General Manager of the Ford Division.

And then in 1970, at the age of 45, I became the President of the Ford Motor Company, the second largest company in the world.

Eight years later, I was fired... that's right... fired... and we'll talk more about that later.

But I quickly became Chairman of the Chrysler Corporation, where I remained for the next sixteen years.

By all estimations, I had a very successful 48-year career in the automotive industry. And the question I get all the time is:

“HOW DID YOU DO IT? WHAT DOES IT TAKE TO SUCCEED?”

Well, if I was going to give you a simple answer, I'd have to go back to the three things my parents told me early in life:

ONE... Apply yourself.

TWO... Get all the education you can -- *which all of you have just done.*

AND THREE... By God... DO SOMETHING!

Don't just stand there. Make something happen!

And that is what I did for 48 years in the automotive industry. It's an awfully simple formula... but it worked for me, and it can work for you.

But there are other basic principles... those little scraps of wisdom I've picked up along the way... that made a difference in my life.

Let me give you five of them:

- Principle number one: LISTEN TO YOUR GUT FEELINGS.

To a certain extent, I've always operated by my gut feelings.

And when you are in a crisis, you may have no choice but to go by those gut feelings.

Because you certainly don't have time to run a study. So learn to listen to your gut.

- Principle number two: BE WILLING TO TAKE CHANCES.

A certain amount of risk-taking is essential in business. Sometimes you just have to take a chance... and correct your mistakes as you go along.

- Principle number three: LEARN HOW TO HANDLE PEOPLE.

I've had many friends who were never able to rise to the top simply because they didn't have the ability to handle people.

You're not going to succeed for very long by kicking people around. You've got to know how to talk to people, plain and simple.

And you have to know how to listen.

- Principle number four: KEEP YOUR EGO IN CHECK.

There's a world of difference between a strong ego -- which is essential -- and a large ego -- which can be destructive.

Project a spirit of confidence, but not arrogance.

- And principle number five:

If you want to succeed in business, the ability to concentrate and use your time well is everything

Those are five simple principles that I lived by, and they were important to my success.

But beyond principals, there will be people who inspire and motivate you...

... people with wisdom and insight that are willing to give you meaningful direction and guidance.

These are the people who can effect positive change and advancement in your life.

And these people are your MENTORS.

THERE WERE THREE MENTORS IN MY LIFE...

... three people who taught me valuable lessons and contributed to my success.

MY FIRST MENTOR WAS MY FATHER.

He was an Italian immigrant with a fourth grade education... but his optimism and love of life and family was so strong... he made me feel I could conquer the world.

My father's influence shows up at every major phase of my life. And though he is long gone, his spirit continues to instruct and guide me.

MY SECOND MENTOR WAS ROBERT S.

MCNAMARA, whom most of you probably know as our country's Secretary of Defense under Presidents John F. Kennedy and Lyndon Johnson.

But I knew Robert McNamara when he was with the Ford Motor Company in the 50s, and when he was president of Ford in 1960.

Robert McNamara is one of the smartest men I ever met. He as a mental giant with a phenomenal IQ.

I learned volumes from McNamara about life and business.

When it came to spending large amounts of money, he taught me the importance of calculating the consequences of every possible decision.

He also taught me to never make a major decision without having a choice of at least vanilla or chocolate. And if major consequences were at stake, it was a good idea to have strawberry, too.

I also learned from him the importance of putting all my ideas into writing.

He told me, “Lee, if you have a great idea, put it on paper. If you can’t do that, then you haven’t really thought it out.”

It’s a valuable lesson I’ve followed every since.

MY THIRD MENTOR WAS CHARLIE BEACHAM.

Charlie was Ford's regional manager for the East Coast. He was simultaneously tough and generous. He believed in reason and common sense.

Charlie also respected people who accepted their mistakes... and I learned from him the importance of humility... the ability to admit when you are wrong.

Everybody makes mistakes, and we learn from our mistakes... but you won't learn anything if you're too proud to admit you're wrong.

I was lucky to have three mentors in my life, because mentors are few and far between. So my advice is to keep your eyes, your mind, and your heart open to mentors.

Find them, and benefit from them, and the rewards of success will be yours.

The Rewards of Success

And what are the rewards of success?

There are many rewards, and many of them are obvious:

Rewards: Fame & Celebrity

There's Fame and Celebrity... and all the acclaim and acceptance that comes with it... and the endless stream of receptions, parties, and galas.

I've gone to so many parties in my life that my right hand is now permanently bent from holding cocktail glasses.

That's the honest truth. (*hold up hand*). And there isn't a chiropractor in the world who can help me.

But fame and celebrity is fleeting. In a disposable society like ours, nobody lasts very long.

Today, too many celebrities are nothing more than people who are famous for being well known. And it leaves us with few real heroes... and few real leaders.

Rewards: Monetary & Material

Success can also bring monetary and material rewards.

I made a lot of money in the automotive industry. In fact, for several years in the 1970s, Henry Ford II and I were the two highest paid businessmen in America.

My offices at Ford were like grand hotel suites with expansive living quarters and white-coated waiters.

But the truth is: Money is not the ultimate reward of success.

And I know you've probably heard that a million times growing up. But it's true.

My father taught me a very simple truism about money. He told me:

“BE CAREFUL ABOUT MONEY. WHEN YOU HAVE FIVE THOUSAND, YOU’LL WANT TEN. AND WHEN YOU HAVE TEN, YOU’LL WANT TWENTY.”

The truth is, no matter what you have, it's never enough.

Rewards: Non-monetary

Success can actually bring much more fulfilling rewards than just fame and money.

The happiest years of my life were in the early sixties when I was general manager of the Ford Division.

The whole country was optimistic. There was a fresh breeze blowing across the land, and there was a feeling that anything was possible.

In 1960, there was no denying that rock and roll was here to stay... and the 18 to 34 year-olds were going to increase by 50% over the next ten years.

And this age group was also going to account for 50% of the decade's increase in car sales.

Rewards: Creative / The Mustang

The sixties have gone down in history as a decade of boundless creativity and cultural change... and for me it began in 1961 with a dream to build a new car for the new generation...

... a car that would combine great styling, strong performance, and low price.

For 571 days, I was in a whirlwind of inspiration *and* perspiration, and in April of 1964, I gave birth to a cultural phenomenon: THE FORD MUSTANG.

I unveiled the Mustang at the New York World's Fair with Walt Disney on my left and Henry Ford II on my right.

One week later, four million people mobbed Ford dealerships to see the Mustang.

In the first year alone, we sold a record 418,000 Mustangs that generated a profit of 1.1 billion dollars.

At the beginning of 1964, our country was under the spell of Beatlemania... but four months later, Mustangmania was the new number one.

The Ford Mustang was my contribution to the Swinging Sixties... and it was not only one of my greatest creative achievements... but one of the greatest personal rewards of my success.

Rewards: Humanitarian

But if you are as fortunate as I have been, your success will also bring you meaningful humanitarian rewards.

Let me tell you about two significant humanitarian episodes in my life.

My mother and father were two of 17 million people who passed through the gates of Ellis Island to make their home in America.

And those 17 million people fostered 100 million descendants, almost half of our country's population.

In May of 1982, President Ronald Reagan appointed me to head the Statue of Liberty-Ellis Island Foundation... which was created to raise funds for the renovation and preservation of these two great landmarks.

The American people contributed more than \$500 million to the repair, restoration, and maintenance of Statue of Liberty and Ellis Island.

The campaign was a resounding success, and few experiences in my life have been more profound or more moving.

Reward: Saving Chrysler & 600,000 Jobs

There have been many other humanitarian rewards... and one in particular that many regard as monumental:

The saving of the Chrysler Corporation.

Now that may sound like strictly business, but there is a great humanitarian side to the story.

When I was appointed Chairman of Chrysler in 1978, I was not aware of the company's true financial condition... and I was shocked to learn that Chrysler was actually on the verge of complete financial collapse.

I suddenly had the burden of not only saving one of the largest corporations in America, but saving the jobs of 600,000 Chrysler employees and dealers.

If Chrysler went down, 600,000 people were going to be out on the street. Overnight, the U.S. unemployment rate would go up one-half-of-one percent.

Unemployment insurance and welfare payments would cost the government \$2.7 billion in the first year alone. And the ultimate costs to taxpayers would be \$16 billion.

How's that for pressure?

Well, during the 12-month period of November 1978 to November 1979, I engineered Chrysler's turnaround with a 1.2 billion loan from the federal

government... and I had the company operating at a profit within three years.

Chrysler's survival was appraised as everything from historic and miraculous, to an act of God.

And it made me a star and a household name. There were unending awards and accolades... two bestselling books... a series of groundbreaking television commercials, and even rumors that I was going to run for President.

But more important is the fact that I helped 600,000 people keep their jobs... so they could keep a roof over their head... and keep food on their table.

One of those 600,000 workers was Clarence Rosselot of Kokomo, Michigan.

Right after I rescued Chrysler, I received a letter from Clarence's wife, Joan, thanking me on behalf of her family and the citizens of Kokomo for saving their jobs and giving them hope for the future.

That was twenty-six years ago, and Clarence has sadly passed. But his wife, Joan is here with us today. And she is here because her granddaughter, Tiffany, is part of your graduating class.

Joan and Tiffany, please stand up so we can see you.

(lead applause and pause)

Joan, it means so much to me to know that by saving Chrysler, I may have given you and Clarence just a little more opportunity to bring a gifted grandchild like Tiffany into this world.

Thank you Joan and Tiffany for being a part of my life.

Being in the presence of Joan and Tiffany reinforces the many positive experiences in my career...

... but I don't want you to get the impression that everything about my life -- or the life of any successful attorney or businessman -- is filled with only positive and productive events.

Because it's not true. I don't care whether you are rich, poor, a success, or a failure... life is going to have its share of misery... and even tragedy.

One of my father's favorite sayings was...

“LIFE HAS ITS UPS AND DOWNS... AND EACH PERSON HAS TO COME TO TERMS WITH HIS OWN SHARE OF MISERY.”

And he always added:

“YOU’LL NEVER REALLY KNOW WHAT
HAPPINESS IS UNLESS YOU HAVE
SOMETHING TO COMPARE IT TO.”

The Great Depression

I’ve had my share of misery and I’ll tell you about a few episodes... just to give you an idea of what you might expect in life, and in your successful law careers.

My first bout with misery happened way before I was in business. It happened at the age of 6 when our country entered the Great Depression.

Most of you... like Tiffany... have grandparents who were children during The Depression in the ‘30s, and

your grandparents could teach you some valuable lessons in survival.

The depression devastated our family, the same way it devastated the majority of families in America.

The Depression lasted more than ten years, and it filled me with an anxiety that is still very vivid in my mind.

Anxiety / Stress in Business

It is unlikely that your generation will ever go through a depression like I experienced, but you will probably experience similar anxieties and stress in the course of your life.

In the automotive industry, it didn't matter how good we all did our job. We were victims of the oil market...

and it was a constant source of anxiety and stress...
and it wreaked havoc throughout our industry.

And that same havoc is just as alive today as it was
thirty years ago.

Let me give you “five years in the life of Lee Iacocca”
as an example of how bad things can get:

We'll start in 1974. I'm President of Ford. We've just
gone through an oil crisis created by the Arab-Israeli
War. Suddenly, Ford sales are down by a half a
million units. Fourth quarter loses of \$12 million --
Ford's first losing quarter since 1946.

And we're not alone. Sales at General Motors are off
by more than a million.

There was a sudden anxiety at Chrysler to gear up to
produce small cars for the U.S. market.

But you can't just build a new car overnight, and the cost of developing a new four-cylinder was over \$500,000.

It was a rude awakening for the automotive industry. Cut to January 1979. I'm now on board with Chrysler... just three months on the job.

Chrysler had an advantage in the market place as the leaders in RVs and motor home sales -- the real gas guzzlers. Which was okay, as long as we didn't have another oil crisis.

But what happens? The Shah leaves town and two weeks later gas prices double. The market for RVs, motor homes, vans, trucks, and big family cars dries up instantly. Van sales alone fall by 42%. And the whole country nose dives into a recession.

(pause)

But the real fuel on this fire is that Chrysler is already on the verge of financial collapse. And I have an 11-month campaign ahead of me to save the company, and now I have to do it against all odds.

Now I told you earlier about the great humanitarian reward of saving Chrysler, but what I didn't tell you is that it was also the most grueling and stressful ordeal of my entire life.

The pressure was unimaginable. I was going to Washington twice a week to negotiate government loans, while at the same time trying to preside over Chrysler and delay the company's inevitable demise.

And during this time I also had major issues at home:

My wife Mary was sick with diabetic attacks...
sicker than she had ever been in her life...

... and on several occasions I had no choice but to drop everything I was doing to be by her side.

I remember when I was around 9 months into the Chrysler ordeal. I was walking down the marble corridors in Congress. I was dizzy, faint, seeing double. The tension and pressure was so severe I had actually developed vertigo, and there was this constant feeling of having rocks in my head.

I kept my sanity during these years of turmoil `by remembering my father's favorite saying:

“IT LOOKS BAD RIGHT NOW, BUT
REMEMBER, THIS TOO SHALL PASS.”

And it did pass.

And I learned that people can accept a lot of pain and misery if everybody's going through the chute together.

If everybody is suffering equally, you can move a mountain. I call this "*equality of sacrifice.*"

Negative, Antagonistic People

There is another very painful part of living that you will have to go through alone.

And that is dealing with negative, antagonistic people in business.

Just because you are Chairman of the Board or Senior Partner doesn't mean people are always going to love you, respect you, and defer to you.

Regardless of your position, you will face denial, defiance, and resentment.

Nobody is immune or invincible.

You will always be accountable to others, and an awful lot of them will be downright S.O.B.s.

And you're about to go out into the world to meet them.

Henry Ford II

I know, because I've been subjected to some of the most unbearable S.O.B.s one could ever imagine. And they made my life miserable.

There certainly isn't time to recount them all, but I'll tell you briefly about the most notorious of them all:

HENRY FORD II, the grandson of Henry Ford,
the founder of the Ford Motor Company.

I may have been the President of Ford, but Henry was the CEO, so I was accountable to him. And, frankly, I wouldn't wish him on my worst enemy.

Even though Ford went public in 1956, Henry always acted as if the Ford Motor Company belonged to him. It was his company.

He also had a disdain for almost everyone, and he was threatened by strong leaders.

And I was a strong leader. And I gave the Ford Motor Company the two most profitable years in their history in 1976 and 1977. Three and half billion dollars.

And Henry could not handle the fact that I was more powerful and more popular than he was.

So what did he do about it?

He fired me.

And I moved on to Chrysler.

But that didn't stop Henry.

Abandonment of Friends

Henry continued to make my life miserable by firing almost everybody who worked at Ford who was my friend.

He even fired people if they had a favorable opinion of me.

Even one of Ford's masseuses got fired because the poor guy gave me a massage.

Every friend I had at Ford lived in fear that Henry would fire them.

And they didn't want to lose their jobs. So what did they do?

My friends abandoned me.

Even my very best friend of 25 years. Our wives and children were so close you'd think we were related.

But he abandoned me in fear that Henry would fire him if he remained my friend.

I never saw him or his family again. He didn't even come to my wife's funeral.

But as my father said:

“WHEN YOU DIE, IF YOU’VE GOT FIVE REAL FRIENDS, YOU’VE HAD A GREAT LIFE.”

Unfortunately, there are going to be people like Henry Ford II in your life... and you may find them right in your office with you.

And they’ll give you a bad time. But like most bad times in life, they will pass.

Death of a Loved One

But there is one kind of “bad time” that will not pass...

AND THAT IS THE ILLNESS OR DEATH OF A LOVED ONE.

And even though you are still very young... and your life appear timeless, if not immortal... that will change.

And your life... and the lives of your loved ones... will become frighteningly mortal... often when you least expect it.

As I mentioned, my wife Mary had diabetes. But she was strong and feisty, despite the disease. Nothing seemed to faze her. But diabetes ultimately ravaged her body. And she died at the age of only 57.

Mary was my greatest fan and cheerleader. We were extremely close and she was always by my side. And I lost her way too soon.

Family Values

And when something like that happens to you, you can't help but say to yourself:

WHAT IS LIFE ALL ABOUT?

It's a question I certainly asked myself...

... but the answer I got I knew all along:

“I’VE HAD A WONDERFUL AND SUCCESSFUL CAREER. BUT NEXT TO MY FAMILY, IT REALLY HASN’T MATTERED AT ALL.”

During my entire career, family has always been supreme. I valued my wife and children and the time I was with them more than anything.

I adamantly gave my family at least two days of every week... and that time belonged only to us.

And as you embark on very demanding and time-consuming careers, and you develop families of your own, don’t forget that *“your job takes up enough time without having to shortchange your family.”*

Don't get me wrong... hard work is essential... but there's also a time for rest and relaxation, and spending time with your family.

And if you are a successful attorney, your success will give you the real freedom and flexibility to spend more time with your family.

So don't take loved ones for granted... and don't do anything to risk having regrets after it's all too late.

Reassessment of Values

As you go through life, there are thousands of little forks in the road, and there are a few really big forks... those moments of reckoning... moments of truth.

And it's at one of these really big forks that you will evaluate everything you have accomplished... and

you will make a decision on how you want to invest what time you have left in life.

My Reassessment

Just before Mary died in 1983, I promised her that in my lifetime, I would do everything possible to find a cure for diabetes.

In 1984, I founded the Iacocca Foundation to fund research for the treatment and cure of the disease.

I continued working for Chrysler for another ten years, but in 1994, at the age of 70, my life completely changed:

I had spent 48 years in the automotive business, and I still had many more years ahead of me... if that's what I wanted to do.

But I wanted to do something else. I wanted to add a new significance to my life experiences.

And I made a decision:

I was going to devote the rest of my life to the Iacocca Foundation and fulfill that promise I made to Mary.

And it's the honest truth when I tell you that few experiences in my life have been more fulfilling than the work I've done to help cure diabetes.

Through the Iacocca Foundation, I have funded numerous researchers, including the remarkable Dr. Denise Faustman, who just last year made an extraordinary and unprecedented breakthrough:

SHE CURED DIABETES IN MICE.

And last month, the New York Times and Wall Street Journal announced that three research teams have formally validated her findings.

In 1979, I accepted the challenge of saving 600,000 jobs at Chrysler.

And today, I have accepted a new challenge to save 600,000 lives from the ravages of diabetes.

And I'm not going anywhere until I do it!

Because that is what I value today more than anything.

And many years from now, when you are at the peak of your successful careers as attorneys, you may discover a new set of values...

... values that are surprisingly more fulfilling than anything you ever experienced before.

And they may change how you live the balance of your life.

Are you having fun?

But whatever turn your life may take, it is important to always remember to make sure you have a little fun.

My father used to call me every single day at the office. When I was President of Ford... Chairman of Chrysler.

I was a grown man with children in college. And my father would call me every day and ask me how I was doing...

... and I'd tell him everything that was going on... and he'd listen... and then when I was done talking, he'd ask me the same question every single day:

BUT ARE YOU HAVING FUN, LEE? ARE YOU HAVING ANY FUN?

And the truth is, I wasn't always having fun. So I finally made the necessary changes in my life so that I was having some fun.

And it's never too late to have fun. I'm 81 years old and I'm still having a great time.

And it all adds up to a good life.

Close

And while my life as a corporate executive is complete...

.... your life as a business professional is just beginning.

And when you are my age, many of you will also have stories of incredible challenges and accomplishments...

.... and hopefully you will share them with a new generation of graduates as they enter a new chapter in their lives.

I hope that in some small way, I was able to shed a little light on your path to future.

I want to thank you for giving me the opportunity to share this special day with you.

And I wish all of you very successful, rewarding, and fulfilling lives.

Thank you.