

Facing America's Challenges

An Interview with H. Wayne Huizenga



H. Wayne Huizenga

EDITORS' NOTE Wayne Huizenga is the only person in corporate history to be responsible for six companies listed on the New York Stock Exchange and to have founded three Fortune 500 companies. He created Waste Management, Inc., Republic Services, Inc., Blockbuster Entertainment, AutoNation, Boca Resorts Inc., and Extended Stay America. He was also the owner of three professional sports teams: the Miami Dolphins, The Florida Marlins of Major League Baseball, and the Florida Panthers. Huizenga and his wife have donated over \$100 million to South Florida charitable causes including homeless causes and hurricane relief, and \$8 million to create the H. Wayne Huizenga School

of Business and Entrepreneurship at Nova Southeastern University. His achievements were recognized by the Horatio Alger Association who presented him with their top honor in 1992, along with Henry Kissinger and Supreme Court Justice Clarence Thomas. In 2005, he received the prestigious recognition of "World Entrepreneur of the Year" by Ernst & Young.

What will be the greatest challenge America faces in the coming years?

Our greatest challenge will be getting our own house in order to ensure the future prosperity of ourselves, our children, and our grandchildren. Our government at all levels has become too large and unwieldy, and far too expensive. Government employment and regulation are stifling our economy and running up costs that will be an overwhelming burden on future generations of Americans. Unfortunately, changing the status quo will not be easy and will require courageous and committed leadership. Reducing our national debt must be a priority, but doing so without excessive tax increases will require reductions in spending that have been heretofore unattainable.

We have often heard that we must run government just as we run our businesses, with the same consequences for personal and institutional failure and success. Today, there are no apparent consequences and the patterns of the past are continuing, as we add to our national debt at an ever increasing pace. Equally important at all levels of government is that there are no incentives for innovation, extraordinary effort, and performance, or even attainment of predetermined goals and objectives. What made our American business model the global leader, as it has been over many generations, were the incentives and penalties that accompany success or failure. However difficult, we must find ways to implement those same concepts within our government at all levels to attain future prosperity.

There are many other priorities that must be considered and addressed, but our economic security should be, by far, our highest priority. Our position as an economically independent and strong global leader affords us the opportunity to ensure our national security, seek energy independence, provide leadership on environmental issues, and assist those less fortunate than ourselves. Without a strong and vibrant economy and a sound national balance sheet, free of excessive debt, we lose our leadership position and the ability that comes with it to address these other vital national issues. Likewise, our ability at home to address the needs of our citizens in all of these areas will likely be compromised to the extent that we are not economically sound.

In the final analysis, government needs to serve the people and not vice versa, as seems to be the case at this juncture in our national history. We need more efficient and effective government that is incentivized and accountable, and operates within the means that are available without excessive borrowing and resultant debt. I see this as America's greatest challenge in the coming years. ●

An Interview with James F. Dicke II, Chairman and Chief Executive Officer, Crown Equipment Corporation



James F. Dicke II

EDITORS' NOTE James Dicke assumed his current post in 2002. Before this, he was President from 1980 to 2002. Dicke graduated from Trinity University in 1968 with a B.S. in Business Administration. He was also granted an Honorary Doctor of Business from Ohio Northern University. From 1966 to 1967, he was Assistant to Congressman William M. McCulloch and was appointed to the President's Export Council from 2006 to 2008. He was the International President of the Young Presidents' Organization from 1992 to 1993. He is Chairman of the Commissioners of the Smithsonian American Art Museum and Chairman Emeritus of the Dayton Art Institute.

COMPANY BRIEF Crown Equipment Corporation (www.crown.com) designs, manufactures, distributes, services, and supports material handling products that provide customers with superior value. Crown entered the material handling equipment industry in 1956, and designs and manufactures 85 percent of its lift truck components, including key parts like motors, drive units, and electronic modules. The company's goal is to provide the user with the safest, most efficient, and ergonomic lift truck possible to lower total cost of ownership and increase uptime. A strong and extensive global dealer network provides a wide variety of quality material handling equipment, storage solutions, and support services.

What is America's greatest challenge in the coming years?

With 5 percent of the world population but one-third of the world's economic activity, the United States has abundant freedom, economic opportunity, and natural resources. Many challenges are ahead, but erosion of our economic strength is of special concern.

Customers really pay company taxes. A company must find a way to pass tax costs to customers or go out of business. When we impose an uneven tax burden on American companies compared to their non-American competition, we institutionalize an American business handicap that hurts us all.

It may be easier to impose taxes in hidden ways but even these work against America's capacity to compete. For example, when public utilities are large payers of property taxes, those cost burdens work their way into the cost of all local products and also become one more daily economic burden for the middle class.

One could cite a number of industries that have now left the United States primarily for a more pro-business climate in other countries. The concern about lower labor rates in other countries is often more myth than hard mathematics. Production cost strategies are not simplistically based on labor costs alone or even currency exchange rates.

Companies often experience trouble as a result of decision making for short-term results. Long range planning horizons shrink. The focus for measuring success becomes the current budget year and the current quarter. When a company measures results this way to the exclusion of longer range challenges, they systematically make false assumptions. Such assumptions may include fixed currency exchange rates, stable interest rates, or long product life cycles. They may ignore new competitive challenges and decide to accept incremental market share losses to keep current profit margins strong. Product engineering gets older while more components get outsourced and adversarial supplier relationships multiply.

Almost all of us will spend most of our lives in the middle class and business tax challenges are already eroding our middle class economic prosperity. We must take this seriously. Even American workers in the lowest quartile are still among the top 15 percent of all the world's wage earners; yet if we continue to see a deterioration of American middle class purchasing power, it will be an unbearable obstacle to continued prosperity. What the United States needs now more than ever is the national will to support business growth, fuel job creation, and encourage a rising standard of living for everyone. ●