Expert finds Western methods don't work in

Continued from Page 1H.

are the schisms between republics. ing Moscow's wrath for their from Lithuania, two republics facprinted circuit board assemblies from Moldavia and transformers What's making matters worse Pozhalov's plant obtains

> menia closed a factory that supproduction at another plant, leavplied condensers. A fi**re shut down**

viet economy: pervasive monopoexposes the Achilles heel of the So-The plight of the Kozitski plant

ing Mr. Pozhalov short of cases. separatist sentiments. Strife in Arlies. Too often, one source supplies else to turn within the Soviet Un velops, an enterprise has nowhere the entire country; if a problem de tomers to supply to the next stage factory makes it harder for its cus the economy: A bottleneck at one ion. Shortages snowball through

components for rubles," he said eign companies. He quickly runs able overseas sources, now that en-"The problem is to get hard curup against a constraint, though few components from more reli-'No one in the West sells their terprises are freer to deal with for Mr. Pozahalov can buy at least a

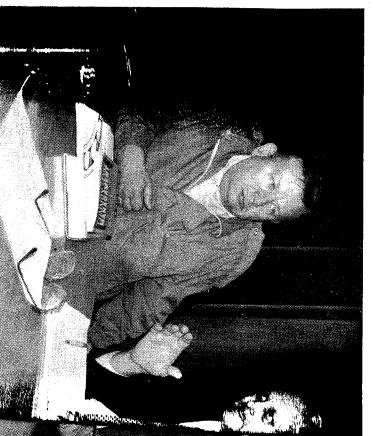
utacturing techniques. companies and and expert in manals, a consultant to dozens of U.S. sity in Tulsa, Okla., Mr. Migliore is Mr. Pozalolov's factory. A profeswhile spending an afternoon at sor at Northeastern State Univeran author of management manu-Henry Migliore takes all this in

first glimpse of Soviet industry. He wasn't impressed with his

tion left him feeling he'd stepped back into the 1950s. "In the best after a tour of the Kozitski opera-U.S. factories, there's an intensity daisical factory," Mr. Migliore said There's a hum. You can feel the en-"I've never seen such a lacka-

supply — all else taking a back part of his time worrying about manager has to spend the biggest output at the least cost. The Soviet ductivity, or turning out the most gers usually came up against. The U.S. manager concentrates on profaced a problem quite different from what most American mana-Mr. Migliore said Mr. Pozhalov

you don't have an incentive for you don't have the resources and ii Productivity means nothing if



Evgeniy Pozhalov, left, and American consultant Henry Miglsco between the American and Soviet workplaces in Leningrad.

the system, not the people."

involved can create solid gains in quality, with quality getting built companies, the professor stresses gliore met with resistance was Soviet system. In working with U.S. quality control, a bugaboo for the into the production process how getting assembly-line workers Another point where Mr.

ployed here." enterprise," he said. "It is owned does not think that he is part of the "In the Soviet Union, the worker thing more than their paychecks. workers give a hoot about any by the state, and he is just em-Mr. Pozhalov doesn't believe his

hard for higher quality. In his Mr. Pozhalov says he works

> one in 10,000 today. The energy ttoris one in 2,000 units five years ago tolon fa nents helped reduce faults from Mr. consumption has been cut by morenmer than 80 percent.

problems. Workers are kept out 'ansitic engineers, who try to iron or Sovie riodically invited to the plant fo mark don't come easily. Suppliers are ped. Suc discussions with specialists anot find These quality improvementemen

The Soviet televisions are larginclud

expand production and sell of Amer ards of the best the Japanese is getting components. "In orde is direct Bulgaria, Jordan, Morocco or ^{on} prod ondary markets, such as Turkligliore Koreans make. Mr. Pozhalov p not si boxy models, not up to the stane enter land. What trips him up — agair leed tha lieves he could export to some s, est can

oxy televisions that don't have the quality of Japanese or he Kozitski Leningrad Industrial Amalgamation makes The Dallas Morning News: Richard Alm

Soviet entrepreneurs lead way to market econ

ontinued from Page 1H

owers," Mr. Remmel said. "I ire very hard days." iink we will have in the near fuians describe the future in pink

ew businesses, new products, new rivate economy can't do without 1em. They are the kind of people a old, Mr. Masso and others like ls. Niinas, Mr. Porfirjev, Mr. Linnuoot in Estonia may well depend on epreneurs, risk-takers who create American terms, they are en-How quickly capitalism takes

ie better The more of them Estonia has

int ventures are in Estonia, with ay, 10 percent of the Soviet Union's zrestroika, Estonia has been on the y's population. griculture to the family farm. To on-state banks, the first to return gn joint ventures, the first with conomy. It was the first with for refront of efforts to create a new From the start of the Sovie

blished nearly every day," said ss than 0.5 percent of the coun "A lot of new companies are es

rms. According to our laws, all rms of enterprise have equal ons. "There are many different ent for Foreign Economic Relaal of the Estonian State Departnts Kirikal, deputy director gen-



company that conducts polls in Estonia. Karin Niinas left a government job to form Emor Ltd., a

the necessary laws are in place. Pricess of creating private enterprises vatization of the state sector has a has obstacles to overcome. Not all Mr. Kirikal doesn't deny the pro-

and just about everything else. The of capital, offices, skilled managers long way to go. There are shortages republic faces possible economic rethe central Soviet being quick and accurate.

government.

They only act when they have a command." who remember how to act in a mar-"There are not many people left an unfortunate behavioral legacy people. They have no initiative ket economy," Mr. Kirikal said This socialist system spoiled our And the discredited system left

onians with initiative That's not to say there aren't Es

A private company

and a handful of fellow employees Emor Ltd., a company that conducts left a government firm to form like to work in the state sector. She Karin Niinas knows what it's

as a private firm, we did," said Ms the pride of ownership." to be free. We wanted to establish opinion-research firm. We wanted accept or trust a state-controlled Niinas, the company's director. "In the state sector, our hands were ied. Western companies wouldn't "As soon as we could break away

ploys 35 full-time and 10 part-time as the Gallup or Roper polls, so the company develops a reputation for use the same sampling techniques Ms. Niinas insists that the company and interpret public-opinion data workers who conduct interviews Emor, started last October, em

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companies operate," much in line with the way Western "I see the firm is operating

and economic pluralism. Customers include the government, political the republic embarked on political service in Estonia. Paying for pub keting insights. tions and companies seeking mar parties, Western news organiza lic opinion made little sense unti Emor provides a relatively new

ing, personnel or strategic planto find savvy advice about market had to learn on the job. It's difficul her to be the boss of an enterprise ning in a tiny country that's just that has to survive on its own. She's Nothing in Ms. Niinas prepared

RCE: The Texas Ec	ervice	LLAS TELEPHONES	flowatt-hours	nousands May
RCE: The Texas Economic Indicators are complete following sources: American Automobile Ass.	May 1,543,869	NES	1,212,236	Veli Notion
e compl	1,		<u>, .</u>	

The Texas Index tracks economic activity in the state. Jan. 1981=100. he Texas Stock Index tracks 76 selected stocks of Texas-based corpo-

Office

occupancy rate

Spring 1991 76% Spring 1991

Yr.-end 1990 Yr.-end 1990 76%

Fall 1990

Bank of Dallas, Freeman Auto Report, Greater Dallas, west, M/PF Research inc. Oil and Gas Journal, Panr

Mid-yr. 1990 76%

Jan.-May 853

Jan.-May 1990 830

% change 3%

Line

⊿P

Retail

verage eekly hours

ourly earnings verage ate

\$10.85 May 41.0

\$10.82 April 41.0

Last May \$10.38

Sales

42.0

Jan.-May 1991 \$276,769

Jan.-May 1990 \$324,238

% change -15%

Last May

DA 앜

ekly hours

business

bay, July 14, 1991

ally Hadlas Morning Redus

The Dallas Morning News: Carot Zuber-Mailison

hen the answer came back from Wash filled out lengthy forms from Freddie

All we wanted was for them to work ed the condo, it could not be refion: Nothing could be done. Since they

e responsible. But they wouldn't work could keep the condo. But they were 1 us. If we could lower the payments, didn't want a foreclosure. We wanted e answer. We didn't want to give it up. lly inflexible. No one even had the

d did to work out an acceptable answer have gone the lengths she and her hus-What bothers her most is that few peomajor problem.

et walk off and leave his keys in the ise see MR. on Page 7H. 'We have seen a neighbor across the

SIDE

6 H	CLOSED-END FUNDS
81	TOPPING THE NEWS
윤	BUSINESS NOTEBOOK
8H	WEEKLY U.S. RIG COUNT
5	JOE SIMNACHER
4	REAL ESTATE
4	BOARD ROOM
2	TEXAS INDICATORS

struggle toward Soviet risk-takers market economy

don't at

Staff Writer of The Dall

By Richard

zhalov become

LENINGRAI

ther the Soviet

Mr. Pozhali

enough parts state-owned t

month, the pl large gaps in

half its capaci

"We've be

secondhand, send us an

were better o had a more ;

back to his se ply, there we

Under the

Westeri

Staff Writer of The Dallas Morning News By Richard Alm

a private company taking the pulse of pub lic opinion in Estonia. TALLINN, Estonia -- Karin Ninas runs

mercial bank. Valentin Porfirjev is chairman of a com-



erating a joint venture that sketches struc tural designs for architects.

dependence often takes priority, the tiny economy in Estonia, one of the Baltic recapitalism, and that requires new forms republic aims to leap from socialism to publics trying to break free of the Soviet of enterprise to replace state ownership. Union. Although the drive fo**r political** in-These are the stories of forging a new

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finances.

Clearing a path to a brave new wo U.S. exp

are, for the most part, on their own. Foreign partners provide capital customers, hiring workers, producing the product and handling the and equipment, but the Estonians are responsible for finding Estkonsult venture partners Lembit Linnupold, left, and Tiit Masso ners. A cust The Dallas Morning News: Richard Alm complaining kow-tow to t tory, can't re economic ret

man of Union Baltic Bank.

If I were in

something th Pozhalov sar

-1. +hara'e little faith left in the old system wars. Among the republic's 1.6 million peo-The trouble comes in transition: It's not

Russian workforce sleeping giant

TULSA BUSINESS JOURNAL, July 1-July 7, 1991 PAGE

matic impact on world economics. only to be awakened to have a dra-A sleeping giant in Russian needs

sity - economics professor. to Dr. Henry Migliore, economics professor at University Center At Tulsa – Northeastern State Univermost of the 20th Century, according the monopolistic system throughout force dominated by communism and That giant is the Russian work-

he met with industry managers. an eight day tour of Russia where Migliore recently returned from

motivated to do high quality work. was "extremely satisfied" with the venture with a Russian company country who had entered a joint incentives, the workers were highly Russian workers and that with when he learned that a foreign It was on the return trip home

was a total monopoly and work was state owned companies where there That was a sharp contrast to the

set by quotas.

meetings, he said. managers during three days of The group included 22 high level

common sense approach could be under a competitive system. ing quality goods if they could work on the verge of exploding in producforce, if managed properly, and in a formed the opinion the Soviet work the Russian company that Migliore industrialist doing business with It was from the discussion with the

> pared to a competitive free enterapathy in the work force as com-The state-run system produces

prise system, Migliore said.

would take 100 years to complete free enterprise system today, it industry would start moving to the the transition. Yet, he added, even if the Russian

ference with Migliore paid to The managers attending the con-

mentative on almost all points. exceedingly courteous," he said. quick thinkers, very formal and They also were respectfully argu-"I found these managers to be very

manner in producing the products. Migliore visited a state-owned The biggest difference was the

part of his tour. television manufacturing plant as

period, Migliore continued. Russian industry does the quality check at quality throughout the assembly the end of production. American industry checks product

duction quotas and problems always can be solved at the end of the line, he explained. Russian manufacturers have pro-The difference of opinion was the

sion plant are very proud of their Production workers in the televi-

commented. The dramatic improveto one defect in 10,000, Migliore ment came because a new parts supfrom one major defect in 2,000 sets quality record.
During the past year they went



discusses quality control with Dr. Henry Migliore. Eugeniy A. Pozhalov, Chief Engineer at Koritski Industries Almagamation,

plier had been found.

suppliers to make the improvement. It took several years to change

something to say about production." the employees in the factory have approach to quality control, where "I also discussed the shared the U.S. system, if an industry the contract is cancelled," he said doesn't like the quality of a product, "I told the suppliers that under

received by the managers, Migliore That suggestion was not well

world," he said. and organized in the western ways business is planned, managed Russian managers the successful "What I tried to do was show the

stimulating, intense and understanding." "I found the group intellectually

Russia: A country full of

From Russia with lines

on causes of Soviet collapse Professor got first-hand lesson

Tribune Business Editor

cup of coffee and a glass of orange All Henry Migliore wanted was a

of orange juice. coffee machine that made one cup, other customers walked 50 feet to the back to the refrigerator to pour a glass returned with the cup, then walked in Leningrad, the woman waiting on As he stood in line at a hotel canteen

fee?" Migliore asked through a reluctant interpreter, startling the Russians "Hey, does anybody else want cof-

crazy," Migliore recalled. "People looked at me as if I was

orange juice?" you just bring a pot of coffee up here to the counter and pour? And a pitcher of He asked the waitress, "Why don't

coffee and juice but otherwise ig-The tall American was served his

ecalled thinking. "This system can't last," Migliore

way the plane landed, getting into the erminal, food service." "It was a disorganized mess . . . the

rad. That was in June, when the Tulin its last legs in, of all places, Leninoviet industry managers. an was there to lead a seminar for He knew then that communism was

)H-ree) returned home, he wrote seveningrad became St. Petersburg. nterviews that communism was ral newspaper columns and said in is prediction proved to be accurate. bout to collapse. Before 1991 was out, When Migliore (pronounce it Me-

achev by hard-liners, although their ower-grab last August was shortling of Soviet President Mikhail Gor-Migliore also had predicted the top-

R. Henry Migliore

III Title: Professor of strategic planning

Business: Northeastern State Univer-

sity, University Center at Tulsa. Birth: Harrison, Ark., March 26, 1940.

Oklahoma State College, Bachelor of Science, Oklahoma State University, master's degree, St. Louis University; doctorate, University of Arkansas. Education: Associate degree, Eastern

publications; seminar leader on plan-Special interest: Contributor to trade ning and management.

ment and dean of Oral Roberts Universi-New York City; professor of managegineering at Continental Can Co.; consultant with Fred Rudge & Associates, ty School of Business. tacturing operations, and industrial en-Experience: Manager, press manu-

Who" among top echelon writers and consultants in America. lege Athletic Hall of Fame; "Who's Honors: Eastern Oklahoma State Col-

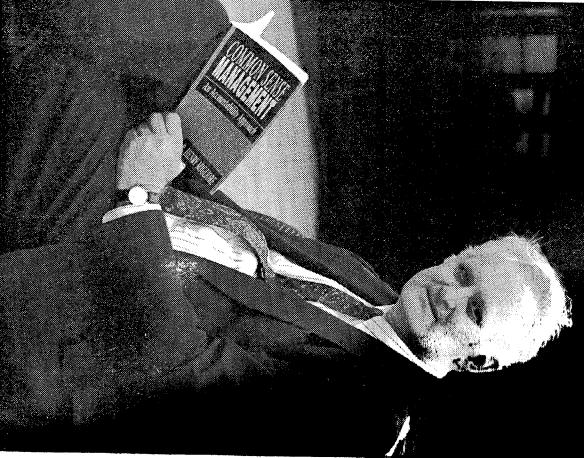
vision, to do something really well. Give given them. You've got to have a goal, a Philosophy, business approach: ''I tell it all you've got." young people to use the abilities God has

■ Family: Wife, Mari; three children, Theresa and Roscoe, adults, and Daniel,

First United Methodist Church board, Tulsa. Past — T.D. Williamson Inc.; In-Board membership: Current Pad Cross, Tulsa Chapter; ternational Management by Objective Institute; Brush Creek Ranch.

sor of strategic planning and managebecause the bureaucracy becomes an end in itself," said Migliore, a profesment at Northeastern State Universi-

ty, University Center at Tulsa/ He related another small incident



Tribune photo by David Proebe

Henry Migliore will use his books to teach a business course in Russia.

develop a management program at Leningrad State University. one volume that will be used for the

tem" — a shorter-term mission.

Migliore described "Common or " ing going to my own church and watching OU-OSU ball games, I agreed to teach a course on ethics, "I was offered a funded chair to move there and teach," said Migliore, "but with a 13-year-old son, and enjoy-

Another small event.

ty of Michigan, on a management by objective (MBO) plan. first published article for the Universi-As a young man, Migliore wrote his

"Continental Can adopted the whole MBO program I outlined," he said. "I have written 87 articles since then."

Kussian

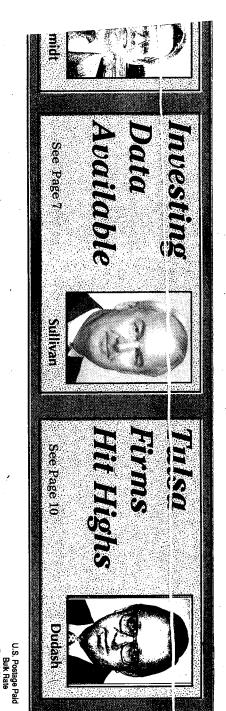
(Continued from Page 1)

when the capital and technology Migliore said. That will happen within the next 30 to 40 years resources available in that country. meets the abundant natura

is like looking at the old west in the Today when one looks at Russia, it

United States.

and order, Migliore said. The Rusance system that will provide law a legal system and checks and balthe rapidly changing environment sians are their own worst enemy at hasn't provided a chance to develop Political problems still exist and



Financial, real estate, and other business news.

A NEIGHBOR NEWSPAPER





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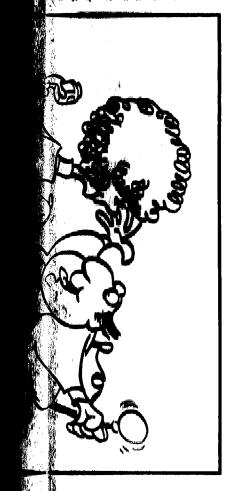
State businessmen cool to idea of developing ties with Russian counterparts, Migliore finds



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Russian

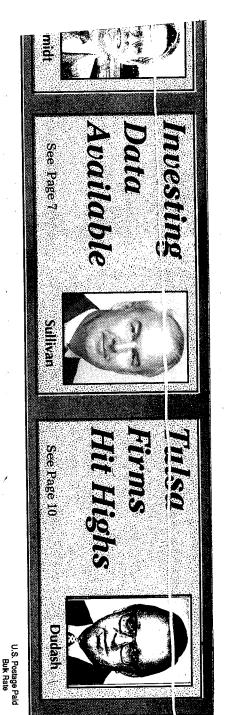
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within the next 30 to 40 years, when the capital and technology Migliore said. That will happen resources available in that country. meets the abundant natural

is like looking at the old west in the Today when one looks at Russia, it

United States.

a legal system and checks and baland order, Migliore said. The Rusance system that will provide law hasn't provided a chance to develop the rapidly changing environment sians are their own worst enemy at this time. Political problems still exist and









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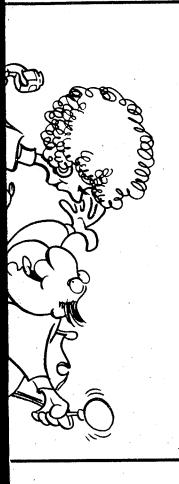
State businessmen cool to idea of developing ties with Russian counterparts, Migliore finds



ent ways of operating a business. ing Russian managers about differ Migliore has been in Russia teach

and editor-in-chief of the Literature Goal that had been translated by Vladimir E. Levtov, board chairman Management: How to Achieve the Petersburg, Russia. Information Culture Company in St. Part of the text was from his book,

because he was supposed to return the Russians can change plans o Russia in May to teach another Migliore also knows how quickly





Henry Migliore

Managing Editor By RALPH SCHAEFER

skeptical or unwilling. Call it conservative, cautious,

agement at Northeastern Oklahoma State University and University sor of strategic planning and manparts, says Henry Migliore, profeslish ties with their Russian countermore might describe the reluctance by Oklahoma businessmen to estab-All these words and possibly even

similar ties to Oklahoma businessof Russian businesses earlier this year, made the offer to try to find ment course to high level managers Migliore, who taught a manage-

Russians," he said. But efforts to ed in forming a partnership. produced only one company interstmake the matches with Oklahomans "I had 17 applications from the

exist in one country and have little might benefit, Migliore said. interest expressed by others who the potential opportunities that It's somewhat frustrating to see

lack of understanding about the risks and rewards involved, he said. homa and Russian companies is a The problem for both the Okla-

men about the available opportuni-The answer is educating business-

away from a communist dominated ronment to move their companies

> set of managers. three days before he was supposed to leave. The trip was abruptly canceled

airplane ticket, so I wasn't out much gram wanted more time to think money, only time," he said. "I was told the people in charge of the pro-"I was able to get a refund on my

when the trip was cancelled," everything was scheduled. trip had been agreed upon and Migliore said. Everything about the "I felt like a bride left at the altar"

management. dle levels of the company about Siberia to teach people in the midanother trip to Russia — this one to There still is a possibility of

initial teaching experience with a high respect for persons in charge Migliore has come away from the Russian industry.

night, he said The seminars were presented at

then attend these evening courses. nonsense group. level and were an intense, alert, no These managers were in the upper The managers would work all day

granted argumentative and take nothing for In addition, they are inquisitive,

so alert," Migliore said. These peoously and don't seem to wear out. at night. They take their work seriple have stamina, starting early in questions and have never had to be the morning and working until late "I have never been asked so many

working hard under a "free" envinotion of reward and how to motigoals," he said. "One executive notvate people on long and short term agement - of Migliore's book might tion In Strategic Planning and Man-"I was trying to get across the The Russians also taught Migliore.

и заботиться о нем Как "кормить" босса

Care and feeding the Boss

the Goal. Reprinted with permission from R. Henry Migliore, author. Translation to the cartoon on Page 10 in Management: How to Achieve

Canada, but not in Russia." work well in the United States or

the executive explained, and any than someone else probably would person that might have a little more have that item stolen. Crime is on an increase in Russia,

ever, Migliore said. way to cope with that problem how-One Russian company did find a

end of the week, if those goals were venture with a Pennsylvania compamet, the qualifying workers could keeping goals for workers. At the ny, set quality, safety and house-The company, which has a joint

> go to the loading dock of the company and pick up sacks and boxes of

when they might otherwise have to for one meal. different items to get enough food stand in several lines for hours for food to last a week in a few minutes These workers would get enough

er, the reward concept was a fine idea, Migliore said. The executives did agree, howev

erful economic force in the world Russian industry could be a pow-

(See RUSSIAN, Page 4)