



THE HENRY FORD
COLLECTING INNOVATION TODAY

TRANSCRIPT OF A VIDEO ORAL HISTORY

INTERVIEW WITH

A. Alfred Taubman

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BARRY HURD:

01:00:49;16

Hey I'll tell you what, lets start off for those people who will be watching this interview maybe a 100 years from now, just tell us where we are and sort of what goes on here in general.

ALFRED TAUBMAN:

01:00:58;22

I wish I could answer that. It's gonna be different I can tell you that, and every time we go through a bad period like we're going through now, things change and some things get better, it's not all bad, but a lot changes and a lot of people get hurt. I spent the day yesterday up at University of Michigan. I have a program up there in medical research, and I spent time with these young people who are working on medical research, and they're brilliant. There isn't any question in my mind that with new stem cell research and the kind of work that they're doing. Sixty years ago man invented antibiotics [and] made huge changes in our life cycles.

01:02:15;12 We live ten years longer than we did 60 years ago and the reason for it is that, as an example, influenza used to kill ten million people a year in the world. Influenza if you get it and you take an antibiotic and it's over with. No one even thinks about it.

01:02:36;26 Pneumonia used to be an amazing killer, and they're all gone, so people live longer. But with embryonic stem cells, it's my belief that in ten years people will start living 20 years longer. Now, the question is, socially as to, what are they gonna do? Are we gonna change this idea of 65 years and out? I mean, we waste a lot of human beings by throwing them away, and if they become 65, they don't have anything to do, that's a tragedy. Human beings ought to have an opportunity to use their minds, use their bodies. The more they're used the better they become.

01:03:28;22 It's sad that we can't find ways to do that. I'm sure we will. Alzheimer's as an example. Alzheimer's is a

horrible thing, a person loses all their memory.

Now, I believe that they'll be able to use embryonic stem cells to remove the plaque on the brain that occurs with Alzheimer's.

01:03:53;29

If they remove the plaque, the memories are back but do they remember anything that happened before. That's a social question. With every one of these changes, you have social questions and responsibilities have to be answered in addition to the science. I'm all for the science, but I also want to know how we're gonna deal with people, how we're gonna deal with their minds. Is it a whole new learning process? That's probably what it is, but looking at human beings if they don't have an opportunity to have new memory, then they're lost.

BARRY HURD:

01:04:44;23

Okay. Well, let's go back, speaking of memories, let's go back to the very early days when you were just starting out. I mean, now everybody can pretty much say, "Here's what he did," but do you still think of yourself as an artist or an architect, a story

designer? Take us through those early days and when you sort of positioned yourself for what you were gonna go into.

ALFRED TAUBMAN:

01:05:02;13

Well, I just like to think that I have third dimensional thought. I think inventive people have third dimensional thought. Third dimensional thought, to try to describe it, is simply this, that I look at something, I'll look at an object and my mind merely immediately goes to how can that object change and be better, not just different. How could we do it better? I think that people that are inventive, and I consider myself inventive, have that kind of thought. They want to make things better for people and better in terms of design.

01:05:54;19

What is design? It really is a taste. How people look at objects is what design is all about. To one person it could be ugly, to the next person it could be beautiful. We don't have the same tastes. That's fortunate. Imagine if everybody wanted the same thing, [it would] be awful.

BARRY HURD:

01:06:23;09 But what led you into this? Did you have to...

ALFRED TAUBMAN:

01:06:24;27 Oh, what led me into it?

BARRY HURD:

01:06:26;01 Did you have an inspiration or...

ALFRED TAUBMAN:

01:06:29;00 Well, you know, I've always been interested in objects and changing objects and making objects more beautiful, more interesting, more usable. So, at an early stage, my father was a contractor and he was a builder. When I was in my middle teens I was drawing. I was doing sketches for him and so forth.

01:07:03;06 He was somebody I always looked up to, my father. He was a good engineer. He was a good thinker. He had good practical ideas about things. Yet, they would be different. He would do different things. He was a great model for me.

01:07:25;29 So I started out being interested in architecture and design and I was the only one in my graduating class

at Pontiac High that went on to college. And it was 1942, we were at war. I went up to University of Michigan and I was there about three months and had gained some new friends. We started a conversation, we were scared to death that the war was gonna be over and we wouldn't be a participant. It's a little different than it is today.

01:08:16;00

But we were patriots and we believed in America. I still believe in America. It's the greatest thing that man has ever produced, this nation. It's the fairest, the most honorable, and the best country in the world, there isn't any question.

01:08:38;08

I was talking today with a friend of mine and we were speaking about Canada. Canada makes sure that each person immigrating to Canada has a net worth of at least a quarter million dollars. Now, that's sort of outrageous when you think about it. Our country takes everyone basically.

01:09:03;05

I mean they got to be poor enough to get in here, it's the reverse. But I'm glad it's that way. I'm glad this country believes that we can give everyone an opportunity and take people that haven't had an opportunity and give them that opportunity. That is one of the things that adds to the human ability of this country, the fact that we take people in.

01:09:36;21

I met two young people at the University of Michigan yesterday who are from Nepal. I was in Nepal 15-18 years ago. Nepal was an incredibly poor country, amazingly poor. Here are two young people getting their college degree at University of Michigan, from Nepal, who are working in science. They're working in my program there. Now, that's an amazing thing when you think of it. Quarter million dollars? If they lived to be 150 in Nepal, they wouldn't make a quarter million dollars in their entire lives. Anyway, this country has got so many opportunities.

Speaking of me again, I went in the service, I got out of the service in three and a half years [and] I went back to the University of Michigan. It was

tough, we got support in terms of our tuition and those kind of things, but on the other hand I held down three jobs. It was too much.

01:10:55;10

After three years I went on to Lawrence Tech. I was always interested in art and architecture and building and so forth. I went into business. I was 26 years old. That was 59 years ago. Yeah, 50 years, 1950 that I went, that's a long time. My company is still doing well. I've always done well. For 40 years they made more money this year than they did last year.

01:11:31;19

I'm not sure they're gonna do that this year, but no one seems to be doing that well, but we're doing well. I'm very proud of this company. My sons run it, they do well with it. I'm very proud of them. But I went into business with the idea that I wanted to design and build. I just didn't want to design or a just didn't want to build, I wanted to do both.

01:12:03;13

And that's the way I developed the business, because I was interested in retail, and the retail

business is very multifaceted. One of the most interesting things about the retail business is it's built around fashion, it's built around fashion and it'll never change, prices go up, but those people coming up with a new idea, a new color, a new fashion, they're always gonna win.

01:12:40;18

People desire fashion. I understood that and I understood the way people shop. I've always had a sense of knowing the way they shop. My customer is a woman. It's not necessarily a family, it's a woman. She's the shopper. At one time, 86 percent of sales were made to women. They buy the men's wear, they buy children's wear. They're the buyers.

01:13:19;01

Anyway I wanted to make the kind of environments to suit women and to suit people. That was my direction. I built clothes malls as you know. I built them not because of the weather. Everybody assumes my first one was built in California and there wasn't [one]. I built the first one in California basically and they thought I was crazy.

01:13:53;05

It has nothing to do with weather. I wanted to open up the fronts. I wanted the storage to be near the goods and in order to do that we had to close it. My model was the department store. A department store, which is really somehow something of a new thing, it happened in the middle of the 19th century basically, in France. Although from a practical point of view it's been going on for thousands of years. I mean, retailing is not a new thing. If you look at the shopping center the Grand Bazaar in Isfahan which I have a photograph of, or drawing of, in the next room. If you look at that, it looks like one of our centers.

01:14:49;22

It was enclosed. It was open of course in sections and so the breeze could go through and they didn't have air-conditioning, but they did have heavy walls and so forth, which contained the environment to some degree. But it was open. They enclosed it because, again, it was like a big department store.

01:15:23;24 A department store is an efficient way of selling goods. They haven't done well recently, but they'll come back. It always comes back, because it's such an efficient method of opening up goods. So the customer walks through a store and sees all kinds of opportunities to buy and fits and has an opportunity to try on everything, feel everything. Sure they're gonna buy goods over the wire, but that's not new either. They've been buying goods by telephone for 100 years almost. So there's nothing new about buying goods [over the] wire.

01:16:11;19 But coming back to innovation, where I started. That's how I started and that's why I've always been interested in this. We enclosed that mall not because of weather, that's an advantage we get with it, but so the store can open up their goods close to the customer. It's worked well and it'll continue to work well.

BARRY HURD:

01:16:38;23 Now you say you wanted to do this...

BARRY HURD:

01:16:54;12 So you said you wanted to build this thing, this closed environment for women, and you just intuitively understand this, or how did you know this was gonna work? Wasn't this a big gamble at the time?

ALFRED TAUBMAN:

01:17:06;23 Well historically if you put three stores together, people would shop at one store and look at what the other stores have. It was my theory if you put 50 stores together, which I started out doing, it would be even that much better. What I was really doing was trying to be a department store under one roof and offer all the goods department store offer.

01:17:48;20 We encouraged a lot of the stores to happen. We needed goods in a certain kind of competitive offering, we'd go into a store merchant and entice the merchant into going to that business. We worked with merchants. We had a department; we had young people who were working, primarily, for a fashion store that would create stores and try to get

people interested in doing those stores. That's how we built up the kind of depth that we had. We have 200 stores in centers. But that didn't happen like over night, it happened as a process of testing the way goods are purchased and how they're purchased.

01:18:52;21

As an example, years ago when I started to build the two-level mall, it wasn't really a two-level mall. We took a long center, cut it in half and flipped one piece over the top of the other and poked holes through it. In my mind it wasn't a two-level space.

01:19:20;02

Sure, it looked like a two-level space, but we wanted to operate it like every store had an equal advantage. So in order to do that, we had to merchandise where we put the stores. It wasn't like cutting a piece of salami, where the next piece is what you take and that's what some of our competitors did. They didn't understand it. That's why our centers do more business than other centers. We do 60 to 70 dollars a square foot more

than our nearest competitor; they continue to do that, because the stores do more business through the synergy that the customer has in terms of seeing all kinds of goods and seeing them together.

01:20:12;10

The way the centers merchandise, it wasn't easy getting the department stores to flip their levels, but if we had four stores, four department stores, we'd get two to merchandise one, two. We'd get two to mechanize two, one. In theory what we were doing was the main level of that first level is where most of the parking was for that store.

01:20:47;23

So we would entice them to do that. And we were the ones planning how the customer arrived and how she left. It was important that we merchandise that center so we get equal traffic. We wanted the person to come in on one level, go all the way to the other level, up escalators across the back, across the other level and down to where their car was. So that every customer had a chance to see every store in

the center. That was what was important. And it worked; it's always worked. It was logical.

BARRY HURD:

01:21:34;00 It was like an innovation at the time, though.

ALFRED TAUBMAN:

01:21:35;16 It was innovative, but it was logical.

BARRY HURD:

01:21:37;15 Well, tell about some of the other innovations you brought or your organization brought to shopping centers through that, I guess 50 year history, it would be now, right? Some things we might take for granted now, but that...

ALFRED TAUBMAN:

01:21:50;29 I mean, they seem like simple things today, but initially they were thinking that was innovative. We were the first ones to work out the traffic patterns so that we could control the traffic. We did that from where we put the stores, the department stores and how we placed the stores. We also did it because we did a ring road system.

01:22:26;21 When you enter one of our centers, you get on a ring road. That allows you to go all the way around the center and decide where you want to park. It's the least obtrusive method of where people park and how they park, because you pull the faster traffic away from the traffic within the stores, I'm sorry within the parking lot, trying to find a spot to park.

01:23:01;27 It was innovative thinking. We had a very good traffic department that worked that out internally. Then we had to do it on levels, because if you build a two-level mall, you had to allow people to enter at both levels. With the idea that people wanna go down rather than up, we put 15 percent more traffic and more car parking at the upper level than the lower level to cause that to have more impact. They could find more; they would enter at the upper level if they parked at the upper level.

01:23:48;01 The other thing I think that was interesting was that we believed in thorough demographic analysis. We picked locations that we knew there was growth

there but we had to have people there initially. We had to have traffic, we had to have a quarter million people or more in a market before we would enter the market.

01:24:21;10

We would worry about the growth in the future, but they had to be able to make a living from the first day. You could open a large center with the idea that someday you were gonna have the people, but what are those merchants gonna do in the meanwhile, sell to future customers? If there are no future customers, they can't sell to them. So demographics was an important thing and the kind of cities we dealt with.

01:24:48;29

At the time, I wouldn't build anything in Florida, years ago. Today we have five centers in Florida, because Florida has become a very stable 12 month a year business. It wasn't when we first went down there. We really looked at Florida carefully over the years and it didn't really start to become an

industrial and a stable society until the last 15 to 20 years. We've been doing this for a long time.

BARRY HURD:

01:25:24;06

Tell me a little bit about, I mean, obviously you can't do this all as one person. Tell me a little bit about the process. You kind of jokingly say, when you started out the team you were the team. So how did you build it, that idea and the innovative thing into a process or an organization?

ALFRED TAUBMAN:

01:25:41;02

Well, you know, a lot of it is financial. You can't afford to have a organization until you make profits. We were fortunate we had a following and we worked with the stores and they had faith in what we were doing. They didn't always love us, but they did believe that we were doing the most thorough job in the business, which we were. The other's followed.

01:26:09;28

I loved being copied; it doesn't bother me at all. Anyway, as we could afford it we were building very large centers. Many years ago I built one in Concord, California and I had a mortgage with Teacher's

Insurance and Annuity, who are the financial geniuses for the professors, and they were very interested in what I was doing. We built this center and it cost 20 million dollars, over 20 million dollars actually. That was a lot of money in 1964. Now it's a lot of money today, but it was *a lot* of money in 1964. They went to write the check and they all of a sudden realized they didn't have a check writer that would do eight figures.

01:27:14;19

In those days, they used to stamp a check, today they make a wire into the bank and the bank sends the money. Anyway, so they put it off for one day, so they could buy a new check writer. They made that check; that was the largest investment they'd ever made, 20 million dollars.

01:27:43;25

Well, today we think in terms of 250 to 300 million dollars when we do a center. It's very expensive. But it was a good center; we still own it and all these years it's still productive, very productive. It'll continue to be productive. There isn't why it

shouldn't. If you looked at the number of stores and if you looked at the stores themselves it would be very interesting because many of these stores have turned over, they're different. If you haven't had an opportunity to remake themselves over the years, they don't exist. It's a living thing. They have to constantly work in terms of making themselves better, making the customer interested in what they're selling.

BARRY HURD:

01:28:41;07

Have you gotten to do the same thing with your organization, sort of reinvent the approach to the mall over the years?

ALFRED TAUBMAN:

01:28:46;22

Yes. They have to reinvent.

BARRY HURD:

01:28:48;08

How do you do that?

ALFRED TAUBMAN:

01:28:49;12

The stores themselves?

BARRY HURD:

01:28:50;23

No, your organization, I mean. I mean, aren't you reinventing to follow what's going on as well?

ALFRED TAUBMAN:

01:28:56;04 Well, at 85 years old, I'm lucky I can get up in the morning, and lucky I can play a game of golf now and then or get somebody to play with me. That's the question. I make bets with them that give them incentives to want to play with me. A very rich man if he makes five bucks on the golf course is thrilled. It's interesting but that's human nature.

BARRY HURD:

01:29:28;01 Who's winning most of the bets?

ALFRED TAUBMAN:

01:29:28;12 Pardon?

BARRY HURD:

01:29:29;09 Who's winning most of the bets?

ALFRED TAUBMAN:

01:29:31;07 Me, but anyway, they all think that everything's fine. They give me a lot of strokes, naturally. They don't play with me unless they give me strokes. Anyway, but, what was the question?

ALFRED TAUBMAN:

02:00:17;09 Well, you have to put yourself in the position of the purchaser. That's the ultimate thing, I mean, will

somebody be interested in buying something at the center, ultimately that's all that's really important. I mean you can do all this stuff and you haven't really accomplished anything if people don't buy.

02:00:39;07

That means that you have to be careful in terms of the market to start with. You have to be in a market that has an opportunity to get better and continue to be better, because as the market depresses you made a huge investment, 250 to 300 million dollars is a lot of money, and you can't afford to be wrong.

02:01:07;17

Anyway, you have to be able to try to put yourself in the shoes, so to speak, of that person that's buying. As an example, one of my competitors, who I was friendly with years ago, was a fellow by the name of [James] Rouse from Baltimore, a very nice guy and competent guy. He was actually a mortgage banker to start with and he went in the shopping center business.

02:01:46;09 He was one of the early competitors of mine. We used to talk now and then, we'd get together somewhere, a convention or something. We used to talk about his thinking of retailing and my thinking of retailing. It was very different.

02:02:07;16 It was his theory that you make the stores as they come, like you slice the salami a piece at a time. He said that is the way downtowns are, and we should try to be like a downtown. I said, "I don't understand it. Downtown's are going broke, you know. The downtowns aren't making it. Why should we replicate something that's gone, something that doesn't work?" I never really convinced him, Jim Rouse was an innovator and he was smart about everything, but about these kind of things he wasn't a retailer in mind. He didn't think like a retailer.

02:03:04;16 He thought like a mortgage banker, and the one that paid the highest amount got the corner that he thought was the best corner in the center, if you paid the most. So therefore he had banks and certain fast

food [chains], things I wouldn't even allow in the mall. I put them in the mall entrances. If I gave up 10 to 15 dollars a square foot what difference does it make?

02:03:34;27

It was the retailing that was important. That was what we had to get, if necessary I would give them the space to get the right tenant, to get the right mix, to make the center work better. Don't misunderstand, Jim was a great guy. He built that center near Dulles airport in Washington D.C. between Washington and Baltimore. He was a very innovative thinker, but we didn't agree on that part, and his centers haven't done near as well as mine.

BARRY HURD:

02:04:19;13

Take me back to some moments when you were actually...did you actually draw the original plans when you were first starting out?

ALFRED TAUBMAN:

02:04:22;21

Yes.

BARRY HURD:

02:04:25;16 Take me back then, tell me some things about that, about when you suddenly realized that "I really gotta move this here and angle that design element." How did you know how to design? Give me some examples, some specifics of something you did.

ALFRED TAUBMAN:

02:04:37;25 Well, as an example, I designed one center where I did pyramidal sorts of shapes, with the idea that the distance would be shortened by the eye if you make something parallel. Parallel lines disappear this way. If you make it this way, the parallel lines end up this way.

02:05:06;23 So that worked well, in the centers I did that generally, because we needed a certain distance that the department stores required of the store. Yet, I tried to get the malls narrow. It was always my theory that if I could make them three feet wide I'd make them three feet wide, because the narrower the more people feel better to be near people.

02:05:40;16

People really don't want to shop in an empty shopping center. People don't want to sit in an empty theater. People don't want to sit home alone and watching T.V. when you can go to the theater and see the same movie and pay for it. They want to laugh with other people, they want to be with other people. When you make the mall too wide, you lose that personal feeling and space. People wanna be near other people. They want to be in a busy area. They feel they're in the right spot, that they're in the right atmosphere, the right environment.

02:06:26;03

I also never believed in putting in phony trees, as an example, or that kind of thing. If the tree can't live in the environment, don't put a tree in. They didn't always follow that. I mean, in the later years we got a couple of phony trees in centers, which annoys me. I always wanted to have green and have a fresh atmosphere. On the other hand, I wanted to keep the centers tight, distances tight.

BARRY HURD:

02:07:10;01 Now, a lot of this sound like the title of your book, here. People naturally have a resistance, there's a certain threshold that you want to make it easy. Tell me about the threshold of resistance concept. We'll plug your book, *Threshold Resistance*. Here you want to plug it?

ALFRED TAUBMAN:

02:07:24;22 Thank you.

BARRY HURD:

02:07:25;17 Just hold it up but just tell us, where did that title come from, and is that your own personal theory? Okay, that's enough.

ALFRED TAUBMAN:

02:07:30;25 It was always a theory of mine.

BARRY HURD:

02:07:33;11 But, I mean, I'm joking a little bit...

ALFRED TAUBMAN:

02:07:34;26 Yes, it was the idea of building stores where the goods would be close to the customer, if you set the entry back. Historically, what merchants did was they would go along the street and they would build like a trap with the idea they'd put all the goods in

the windows that they had to sell, which was sort of ridiculous, because it was very expensive and they would ruin the goods very often with sunlight.

02:08:08;23

They had to add a huge amount of heat because they needed light, because as they closed the space back you could see the goods. Then they had to air condition it very early on in order to reduce the heat. So they were using a lot of energy, wasted energy, and people wouldn't buy out of the window anyway.

02:08:35;24

They wanted to try it on, they gotta feel it. They gotta feel what it looks like. They gotta see the color how it fits with their face. That's what they're interested in. So I think they gave up space that they could be selling in. They were paying for this aisle into the store.

02:08:59;29

They were paying when the store itself should be the window. That's what I meant by threshold resistance. It was the resistance to the customer to

go over the threshold. By moving the threshold out to the mall line, you got the merchandise close to the customer, so the customer had the opportunity of buying it.

BARRY HURD:

02:09:29;01

But it's more than that. It's making it easy to see into the stores. It's making it so there's no barrier. Right?

ALFRED TAUBMAN:

02:09:31;25

Well, that's part of it sure. Absolutely.

BARRY HURD:

02:09:35;22

Tell me a little bit more about how all the barriers of...

ALFRED TAUBMAN:

02:09:37;16

Well, when we first started out, they had window backs. I said, "Get rid of the backs. I mean, you don't need any window backs. If you use mannequins, let the mannequin sit free. She can see through the mannequin into the store. Give the customer an opportunity to see what's in that store. Maybe she'd get interested. Then you're selling; you're showcasing the whole store, not just part of

the store, but they had this theory, merchants had this theory years ago, if you could get the customer in looking, they could grab them and drag them into the store. That's real threshold resistance.

BARRY HURD:

02:10:23;16

Now what about as you were doing this, were you experimenting or then learning; trial and error? Or was it...

ALFRED TAUBMAN:

02:10:28;00

Of course I was experimenting. Yeah.

BARRY HURD:

02:10:29;19

Tell me that process, and how it was.

ALFRED TAUBMAN:

02:10:31;05

Well, as an example, years ago I built a couple centers in Milwaukee. I took one of the tenants who I knew who is a good merchant. He was a hosiery merchant, Albert's Hosiery, years ago. I put him in two stores, one at one level at one end of the center and one at the level at the other end of the center. The goods sold about equally. So I knew I was getting the traffic to move on both levels equally.

02:11:07;14

It was my experiment, it was his. It worked. That was a test. I've done it also with candy stores.

These are impulse type purchases, no one goes to a shopping center to buy a pair of hose necessarily and no one goes to buy candy necessarily, they buy those things because it's there, because they can smell it, they can touch it. That's why they buy those things.

BARRY HURD:

02:11:37;05

Tell me about, you talked about controlling when people look at the pyramidal design. There's also the surfaces and the lighting, a lot of things you brought to...

ALFRED TAUBMAN:

02:11:45;03

Absolutely. My friend Jim Rouse believed in using carpet. Carpet was the worst thing you could use at a mall because what it does is you walk on carpet, the friction heats the bottom of your soles. You ever look at a woman's shoe? The sole is about that thick, yeah?

02:12:14;22 Now, if you heat that, I mean, she gets tired immediately. You can't afford to have a customer get tired walking in your shopping center. You have to make sure that customers are comfortable. So we went in and one of my first centers in California I did terrazzo, it was smooth, it was easy to clean, and it was easy to walk in.

02:12:42;04 I talked to the customers, they loved terrazzo, but on the other hand, it always seemed like ice to them. So therefore, I basically didn't invent it because it was going for thousands of years, but I started building terrazzo tiles. So there'd be a joint. We did it out of terrazzo tiles instead of monolithic terrazzo. That's worked very well over the years.

02:13:18;21 It's easy to clean, if you get a crack, you can easily buy extra tiles and you can easily repair it by taking out the tile and putting a new tile in. All that is important as to how they are maintained. When monolithic tile cracks, I mean, monolithic terrazzo

cracks up and so forth. Carpet is a no-no because you get heat.

BARRY HURD:

02:13:47;07

What about the lighting? What were some of the things you designed?

ALFRED TAUBMAN:

02:13:50;15

Lighting. I worked with a fellow by the name of C. Warren Evans who died a number of years ago. He was a very creative guy. I think he went through the eighth grade, but he taught at Princeton. He taught at Princeton's architectural school about lighting. Very innovative.

02:14:08;29

We started to work with all kinds of methods of light. We even had light that increased and decreased to create different shadow and different light, but we ended up doing pools of light. The reason for that was to create as the customers looked out, they saw this light, a person would be in light and then dark, light and dark creating interest. It wasn't from dark to light, but it was different. We've done a number of things to create interest,

make the space interesting and make the light interesting.

BARRY HURD:

02:14:58;27 Didn't you also pioneer a lot of the adjacencies and which stores would be next to others?

ALFRED TAUBMAN:

02:15:02;14 Yes. We did.

BARRY HURD:

02:15:03;03 Tell me a little about how you design that.

ALFRED TAUBMAN:

02:15:05;07 Well, we'd try to do it in terms of how the customer shopped. The simple answer to that is a shoe store next to, well, a women's shoe store, a woman's ready to wear store. Basically it's a little more complicated than that. It's looking at the kinds of goods they sell and how they sell and so forth.

BARRY HURD:

02:15:36;06 Now, did you sit on a park bench and watch people shop? And where do you come to all this knowledge. We know how you became a golf expert. But you're talking about these things like, "It was

obvious to me this. It was... " But where does that...

ALFRED TAUBMAN:

02:15:44;29

Took a lot of lessons. Well, it's not a lot different than golf. You take a lot of lessons and you give the lessons to yourself, basically. Yes, I have sometimes sat in malls for an hour or two and watched customers. I walked the centers. I used to walk the centers almost daily wherever I could. I've learned a lot from that.

BARRY HURD:

02:16:14;08

Can you think of one specific time when you saw a customer do something and you said, "I've gotta design that into my next design"?

ALFRED TAUBMAN:

02:16:22;20

Well I can't come up with anything specific, but it's a general attitude that you get. You sense how the customer walks or I've always made it where there are no steps without a ramp. I wanted to make it easy for the customer, that was the main thing. We did a number of centers that were different in that regard.

BARRY HURD:

02:16:56;00

What were some of the things that surprised you? Some of the designs that worked great and some that didn't work, you had to have some things that didn't work.

ALFRED TAUBMAN:

02:17:04;12

Yeah. Well, we got in to the department store business. That didn't work. It was too late because a company was already in trouble, Woodward and Lothrop and Wanamaker's we owned those two here. That was a mistake, but we were a private company at the time, so no one really cared. We wouldn't have done it if we were a public company.

BARRY HURD:

02:18:01;20

Tell us about some of the first ways you made it easier for people to see the stores, you moved columns around, you made sure they could see stores on two levels, how did that all work?

ALFRED TAUBMAN:

02:18:11;13

Well, to start with it's the way we set the centers up. We put the columns into the store fronts so that they

wouldn't obstruct the customer from seeing the store from both levels. We also built hand rails out of glass, so that you could see through the hand rail.

02:18:43;24

It worked well. I think the customer was shopping at that level but always looking up or looking down to see what else was available. The most important thing is the number of stores we put in. The more stores you put in, the more opportunity the customer has.

02:19:09;14

We did lots of license plate studies to find out where people came from. As an example, for years we still operated at Woodfield Mall in Chicago, which is 2.7 million square feet, it's a very large center. We found people coming from Grand Rapids, Michigan. They had buses coming from Grand Rapids to go to the Woodfield, which is, I don't know, it's gotta be a three hour drive or something, two and a half to three hour drive. They came there because there were 240 stores.

02:19:56;21 In those days Marshall Fields and Lord and Taylor and so forth were important stores. That's why they went the distance to get what they wanted. It drew all of Chicago, this center. It was eight miles northwest of O'Hare airport. It still drew people from everywhere. It was unique and if you do things that are unique and better, people are interested. They're interested in unique objects.

BARRY HURD:

02:20:42;13 Now, one of your first projects was Ray's Bridal Salon somewhere in Detroit years ago?

ALFRED TAUBMAN:

02:20:47;29 Yeah.

BARRY HURD:

02:20:49;16 And did you apply this unique and different [feel to] make it better to that design? Tell us about that.

ALFRED TAUBMAN:

02:20:53;16 Well this lady was a very good merchant. I always listened to the merchants because they're the ones that really I'm trying to satisfy first and then the customer. If I can't satisfy the merchants, I'm not

gonna get an opportunity for them to come to my center.

02:21:16;06

I met her with an architect who I worked for, I was in school, by the name of Charles Agree he was a wonderful architect, wonderful man. He understood retailing very well. He was a retail architect. She came in the office and she wanted him to do a store for her in a very unique way as far as he was concerned.

02:21:49;11

Because she wanted hidden merchandise, well what she sold in those days was wedding goods. I think probably her best dress in those days sold for probably \$110 or \$115 or something, her best wedding dress. The dresses for the accompanying ladies might have sold for \$59 to \$39. They were inexpensive even in those days.

02:22:32;27

So he wanted her to do what he thought was innovative, have an open merchandise and that's the way things were done in those day said you know,

but she had those whole idea. She was a Polish lady and she dealt with other ethnic people, after all Detroit was an ethnic city. I mean, we had a Polish area, we had a Hungarian area, we had an Italian area, but it wasn't scattered all over like it is today, which I believe is much healthier.

02:23:11;01

In those days, people would gather in certain areas and that was where they wanted to live and work and so forth. They would have very large families. She would have an Italian family come in and everybody would come. I mean, the uncles and aunts, the cousins, they'd all show up.

02:23:42;09

So she wanted these rooms to be large enough to take the whole family. She wanted a stage in the middle for the bride. Then she'd have an entrance to the goods, which was outside of that. She wanted six of these rooms. She wanted the entry to the goods so she could pop out and get the right dress for this bride at the right price and get the family all excited how beautiful the bride looked. Then also

out of that same meeting get all the young ladies who were gonna stand with her on that stage too to try on their dresses so she could make a big sale. Very smart I thought. She had these ladies of a certain age, who had done this for many years, very competent, and they were the sales people. They sold these goods. People didn't buy it, they sold it.

02:24:58;05

Anyway and this was her idea. Mr. Agree argued with her and basically sent her out the door. He didn't want to deal with her. He didn't want to do the store. He didn't believe in what she wanted to do. Well, I thought about this. When I decided to go into business, I went to see her.

02:25:18;25

She hadn't done anything about it, still owned the property on Oakman Boulevard. I told her that I understood what she wanted and I wanted to do some drawings for her. She said go ahead. So I did sketches and I did some planning. I told her that I would give her a price to include everything. All she'd have to do is provide the registers and the

goods. I'd do all the case work because it was all part of the store. I designed all the case work, I had it built, we brought it in, installed it. She gave me the biggest kiss I'd ever had. She was a big woman. She grabbed a hold of me and gave me a huge kiss. She really promoted me, she was promoting me everywhere. She was a very satisfied customer.

BARRY HURD:

02:26:26;03 What about your very first mall? Was that in Flint?

ALFRED TAUBMAN:

02:26:31;04 Yes. In north Flint, and I don't think it exists anymore, this was done in 1952-1953.

BARRY HURD:

02:26:38;06 But in addition to designing it, were you entrepreneurial at that point? You were investing and taking the risk?

ALFRED TAUBMAN:

02:26:43;07 Yes.

BARRY HURD:

02:26:44;04 Tell us a little bit about that....

ALFRED TAUBMAN:

02:26:45;10 I was on the mezzanine. The developers were the Gershenson, a very nice family. They're in the business today of doing smaller centers and so forth.

BARRY HURD:

02:26:59;01 That's Ramco-Gershenson right?

ALFRED TAUBMAN:

02:27:00;09 Yeah, sure.

BARRY HURD:

02:27:01;12 Take us back and paint the picture of what happened and how some of your inventiveness and innovation went into that first.

ALFRED TAUBMAN:

02:27:09;06 Well, I wanted to do the center in the back. They were doing the center in the front. This thing was bankrupt. They'd made some leases and so forth. So I just took what they had and buried it. That's really what I did. I built a new center in the back, the one with the parking in the front. That was in 1952 and there wasn't a lot of centers built with a parking in the front at that point. The stores wanted to be seen from the street and they really weren't seen anyway because you were driving at 40 miles

an hour by them, you're trying to worry about what the guy next to you was doing. You weren't looking at stores. So it made sense to make it convenient for the parker to get in the store and see all the stores. When you got up close enough to walk in the store. Made much more sense. That was really a start.

BARRY HURD:

02:28:06;29

What were some of the things that you learned from that first mall that you could incorporate into other designs?

ALFRED TAUBMAN:

02:28:12;06

Well I don't know, I can't think of anything right now, maybe later.

BARRY HURD:

02:28:19;13

That's fine you don't have to answer all the questions. Tell me this though, was there something about the time, the early '50s where the government sort of changed the tax laws, and they were encouraging real estate investment. There was a move to suburbia. Was that all something that you were cognizant of and taking advantage of?

ALFRED TAUBMAN:

02:28:38;04 It certainly helped. The biggest thing of course were the road systems. When Congress decided that they should have an interstate road system throughout the country I looked for locations. As an example, the center I mentioned, Woodfield in Chicago, there wasn't any highways in there.

02:29:01;21 My bankers were the Chase Bank, which I went on the board of later. They were at a convention in Chicago and the fellow who handled my account there said, "You know, you should be there, take 'em out and show 'em the site. They've just paid you four million dollars up front to go buy the land." So I thought, "Oh, sure I'll be there," and I was there and I picked them up. I rented a car and I picked the three guys up and we went out. I couldn't find the place. I could not find it.

02:29:36;09 There weren't any of the roads in that were eventually built. There were houses there; there were houses everywhere and there were huge

construction projects going on, major office structures, major work being done, because the airport was there and it was gonna be, as it is, one of the great airports in the world, O'Hare Airport.

02:30:01;08

That was a great attraction for so many industries and so many people. So many people worked there and wanted that environment. So I took 'them out, I'm driving them around. I can't find the site. I'm really embarrassed. Finally I drive by a site that looks somewhere familiar, and I said, "That's it," and we took off. They sat there. I know darn well they knew that I didn't know where it was. But it was the area that they were interested in anyway so it didn't matter.

BARRY HURD:

02:30:37;29

So the highway which allowed...

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ALFRED TAUBMAN:

02:30:39;26

It all went in later, not after the center opened. I timed the center where the roads went in before we opened the center. We needed the roads.

BARRY HURD:

03:00:59;08 Well, lets just start. Tell us about Max Fisher and Henry Ford II, your friendship with them, what they were like?

ALFRED TAUBMAN:

03:01:05;09 Well, of course they came to me when they developed the idea of doing Renaissance and they asked me if I would join them. Of course I was delighted to join them. I met Henry Ford a number of years before that and he asked me to Fairlane which I did with him. He was a very, very interesting man. He was very loyal. If you were his friend, you were always his friend. He would be very protective and very loyal, which is a great attribute, especially in the friendship.

03:01:56;04 I never let him down, fortunately. We always did well what we did together. He was looking for investments outside of the auto business. I was able to make some deals with him to become an investor. He did well, I'm very lucky that he did well.

03:02:23;02 I thought he was a highly intelligent man who was very modest. He was well read and had a great deal of pride in the company, pride in his accomplishments. I thought highly of him, always did.

BARRY HURD:

03:02:50;06 What about Max Fisher?

ALFRED TAUBMAN:

03:02:52;00 Max was a very strong individual who started out with zero and made a lot of opportunity for himself and other people. He worked very hard for those things he believed in. He was a very interesting personality. I was a close friend of his. I'm very proud of it. He had a lot of friendships, but I think I was probably his best friend.

BARRY HURD:

03:03:31;22 Of all the things you've done, what are you most proud of throughout your career? Are there a few things that really rise to the top? You've done so much.

ALFRED TAUBMAN:

03:03:40;22

Well, it's not my golf game I can tell you that. I'm not proud of that. I am proud of the fact that I've been able to accomplish what I've accomplished and I'm very proud of what I've done with my life since I was asked to retire. I didn't want to retire but I was asked to. I've given generously. I've given to things I thought were good. I've been fascinated with what people do when you finance them, you give them an opportunity.

03:04:37;08

My proudest thing I'm doing right now is what I'm doing at the University of Michigan, where I've given them \$51 million dollars and they've gone way beyond my expectations in terms of how they've been able to build a medical research institution, which I was encouraged to do that by Bob, what's the matter with me, sorry.

ALFRED TAUBMAN:

03:05:56;12

I was encouraged by Robert Keltch who was head of the medical school and medical department at University of Michigan. He's Vice President of Medicine at the University and Chairman of the

Medical Schools and medical departments. It's a huge complex. The University of Michigan is a very, very dramatic research institution. There're 5,000 researchers at the University Of Michigan. People don't realize what the number of employment is at the University of Michigan, they think they just teach kids.

03:06:44;25

In addition to that, they're a wonderful research institution. I made a big difference up there. They were able to do things that they weren't able to do before with the money I gave them, because of over the last eight years the government has sort of gotten out of the research business.

03:07:05;16

One of the things this country was great for was supporting innovation and supporting research. That made a difference in our country that we've been able to withstand all this competition, based on the fact, excuse me, that we have ideas. We can come up with ideas, original thought, which other companies and countries haven't been able to do. It

all has to do with the way our country is structured. Anyway, at University of Michigan I was very fortunate to meet some wonderful research minds, wonderful minds. They are doing things beyond belief. They are doing such innovative work in cancer and in all the sciences. I'm very proud of that.

BARRY HURD:

03:08:07;28

Let me ask you this, you talk about this being a great country for innovation and obviously each generation coming up, we have to sort of teach them what we knew. I mean, you're a fount of wisdom and knowledge. If we had a bunch of young people here what do you think they should know about innovation what could we tell them?

ALFRED TAUBMAN:

03:08:24;21

Well describing innovation is like describing laughter. I mean, you do it because you have the ability to do it. Innovation is something that is God given. It's an opportunity that your mind has a capacity to separate us from an animal that's basically the difference. Outside of that I go up there

and they have this pig, and they take this pig, and the pig has a brain similar to us, has a nervous system similar to us, very much like us. I'm "hey, it's a pig."

03:09:09;22

But the difference is that we can innovate, we can think, we can do things with our heads, with our brains that are unique. We learn from the pig, we learn a lot from the rats and the mice. I saw something yesterday, I saw a mouse that had a heart attack while I was standing there.

03:09:38;29

They gave the mouse a heart attack and then, of course, they gave her a medicine that stopped the heart attack. So it was quite an interesting display. It was very interesting because the count on the heart was 600 per minute. On a human being it's 60 per minute roughly. So it was 600, so it's ten times faster on a little mouse than it is on a human being.

03:10:17;10

But during the heart attack, it dropped to 400. I thought it'd be the other way around. It dropped to

400 which is interesting to me and how they handled the heart attack was fascinating. Now, that's what they're able to experiment with.

03:10:38;18

We have the NIH, which is a wonderful institution in Washington that means well, and so forth, but they have a lot of fright. They scare easily. Something comes along and they make a mistake and then they hold up everything for awhile. Ten years ago they were one of the major funding institutions at the University of Michigan. Today, they do very little. They support some but not that much.

BARRY HURD:

03:11:16;24

What do you think that we don't do as...

ALFRED TAUBMAN:

03:11:20;03

We have to support innovation.

BARRY HURD:

03:11:21;01

And how do we do that with the young people?

What should we do?

ALFRED TAUBMAN:

03:11:23;12

Well, individuals have to do that to start with.

People have to become generous and they have to

give money and give money to their country. It's important they give money to their church, I'm not asking them not to do that, but it's just as important that you make in investment in research and in changing this country for the better making people more comfortable, taking away pain, taking away sickness, bad sickness.

03:11:59;14

We can do that. We have the opportunity to make a human being almost painless. We have that opportunity.

BARRY HURD:

03:12:09;29

We're gonna preserve this interview for hundreds and hundreds of years, so you actually have an opportunity to talk to someone who hasn't even been born yet a 100 years from now. What would you want to say to the future?

ALFRED TAUBMAN:

03:12:25;02

Well I'd like to say that we had a lot of smart people in this and a lot not so smart. It's too bad because a lot of our institutions didn't have a lot of good management and we lost a lot. Maybe that's

all the change of the life cycle. I don't know, but I hope they're a lot smarter than we are.

BARRY HURD:

03:13:03;06 And let me ask you this, when people of the future look back and they look you up and see what you did, how would you like them to think about you?

ALFRED TAUBMAN:

03:13:11;25 Well, I think everybody wants to be thought of as kind. I think it's tough to find it, but there are some kind of models here that I do try to be a good person, and I'd like to think of myself that way.

ALFRED TAUBMAN:

03:13:41;27 If there were kids standing in this room...

ALFRED TAUBMAN:

03:13:45;03 Fifteen.

ALFRED TAUBMAN:

03:13:46;15 If there were children standing in the room, what would you tell them about innovation?

ALFRED TAUBMAN:

03:13:52;00 Read my book.

ALFRED TAUBMAN:

03:13:55;01 What would you tell them about being innovative?

ALFRED TAUBMAN:

03:13:59;23

I'd tell them to let their minds drift, and allow their minds to try to be creative, try to think of things differently and better, not just different but better. That's how they could be creative.