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ENTREPRENEURS OF THE WEST

John E. Parker

Interviewed by Alvan J. Sargent

Completed under the auspices  
of the  
Oral History Program  
University of California  
Los Angeles

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## BIOGRAPHICAL SUMMARY

### PERSONAL HISTORY:

**Born:** November 14, 1928.

**Education:** B.A., UCLA, 1950.

**Spouse:** Iris Landry Parker, married 1959, two children; Weslie Parker, married 1989.

### CAREER HISTORY:

Owner, Parker Industries.

Owner, Torrance Nissan and Classic Imports.

Owner, KYYX Radio and United Television Broadcasting.

### AFFILIATIONS:

Board of Visitors, John E. Anderson Graduate School of Management.

Del Mar Chamber of Commerce, director.

Rotary Club of Los Angeles.

UCLA Foundation, board member.

## INTERVIEW HISTORY

**INTERVIEWER:** Alvan J. Sargent, Senior Director, Product Management, Brodia.com. B.S., Stanford University, M.B.A., John E. Anderson Graduate School of Management, UCLA.

### TIME AND SETTING OF INTERVIEW:

**Place:** Parker's office, Solana Beach, California.

**Dates, length of sessions:** October 13, 1998 (128 minutes); October 20, 1998 (114); November 10, 1998 (126).

**Total number of recorded hours:** 6

**Persons present during interview:** Parker and Sargent.

### CONDUCT OF INTERVIEW:

This interview is one in a series of oral histories with entrepreneurs undertaken to create a permanent record of the initiative taken and the risks involved in helping to build the economy of California and the West. Dr. Alfred E. Osborne Jr., director of the Harold Price Center for Entrepreneurial Studies at UCLA's John E. Anderson Graduate School of Management, selected the interviewer, who was at that time a graduate student in the M.B.A. program, and made the initial interview overture to the interviewee.

In preparing for the interview, Sargent reviewed materials provided by Parker including a resume and information available at the Eugene and Maxine Rosenfeld Library at UCLA. Series interviewers' topics and questions were drawn from a uniform outline developed by the Price Center and Dr. Osborne.

The interview is organized chronologically, beginning with Parker's childhood in Los Angeles and continuing through the founding of Parker Industries. Topics discussed include differences between the advertising business in the fifties and in the nineties, advertising research methodology, and the hallmarks of successful entrepreneurship.

### EDITING:

David Wood, editorial assistant, edited the interview. He checked the verbatim transcript of the interview against



the original tape recordings, edited for punctuation, paragraphing, and spelling, and verified proper names. Words and phrases inserted by the editor have been bracketed.

Parker reviewed the transcript. He verified proper names and made minor corrections and additions.

Jane Collings, senior editor, prepared the table of contents.

Wood assembled the biographical summary and interview history. Daniel Ryan, editorial assistant, compiled the index.

#### SUPPORTING DOCUMENTS:

The original tape recordings of the interview are in the university archives and are available under the regulations governing the use of permanent noncurrent records of the university. Records relating to the interview are located in the office of the UCLA Oral History Program.

TAPE NUMBER: I, SIDE ONE

OCTOBER 13, 1998

PARKER: I have to say that Al looks real chipper and frisky this morning, and he's a credit to the [John E.] Anderson School [of Management], being a member of the Board of Visitors for the last, God, eight years--something like that? So it's good to see you Al.

SARGENT: Thanks, good to see you too, John. So--

PARKER: When or where born? Burbank, California, in 1928, November 14.

SARGENT: November 14. So your birthday is coming up?

PARKER: My wife [Weslie Parker]'s birthday is the thirteenth. So two Scorpios.

SARGENT: Wow, good stuff.

PARKER: Right, yeah. So we celebrate together. We're throwing a big party at our house for ourselves and friends.

SARGENT: Wait, oh-- That's the big seven-O.

PARKER: It is. Yeah. Whoa. Now you're supposed to say, "God, you only look forty, John," right?

SARGENT: Actually, I was thinking more like fifty-five--

PARKER: Hey, I'll take it. Anything below seventy, I'll take it. Sounds good to me. I'll take it.

Father [John Warren Parker], UC Berkeley [University of California, Berkeley], degree in pharmacy. Mother [Mary Neff Eger Parker], Wesleyan University, master's in teaching, and taught English. My father and mother's siblings-- Dad had a brother [Galen Parker] and two sisters and they were all university graduates. The brother actually went back and ran the family ranch and passed away fairly young. Most of the Parkers live into their nineties and one hundreds. My dad's sister, Ruth [Parker Gibbs], just died at 101. His other sister, Inez [Parker Gerard]-- Both of them were high school teachers. I'm trying to remember the college they went to. I think it might have been Cal Berkeley [University of California, Berkeley]. All of them went. My mother had two sisters and one brother. They were all college graduates and all teachers, as my mother was too, so we had a passel of teachers. They all got along good together and it was a very close-knit family. We got together usually every Sunday for a picnic in Griffith Park or North Hollywood Park. Aunt Peg [Marguerite Parker Lyons] made the world's greatest potato salad; I wish I could have got her recipe before she died. So we had really a lot of fun together.

SARGENT: This is a good family life.

PARKER: There was a good family life.

SARGENT: Did you find that the number of teachers in your family had an influence on how education was impressed on you or how you found an education?

PARKER: Yeah, and my mother and I were very close, and we used to sit and chat, and of course she helped me with my English essays and things like that. And I think it was just assumed that we would all go to college. I mean, there was never a doubt. I think dad would have liked me to go to Berkeley, but UCLA was a hell of a lot closer. Since we lived in North Hollywood I could just drive over the hill to UCLA. And I was a member of Sigma Pi fraternity on Landfair there.

SARGENT: Good stuff. So I guess your mom probably--that probably helped a lot in your communication skills.

PARKER: Absolutely, yeah, right. And dad was a talker, too. The family talked a lot about a lot of different things.

SARGENT: Yeah. Good. So that really helped a lot in sales and other things like public speaking and so forth.

PARKER: Yeah. They say I was like my mother's dad, my grandfather [Jacob Eger]. Her maiden name was Eger, which is Austrian, and he was a dynamic real estate man--had his own real estate agency in Anaheim--and did extremely well, made a lot of money. I wish he would have saved the thousands of acres he owned in Anaheim and Santa Ana because it would be nice to develop that now. But he

was a wealthy man. He was a kind of guy that-- Very generous. And his daughters, in particular--my mother and her sister--he would just deliver, like, a washer and dryer. The doorbell would ring and "Here's a new washer and dryer for you" or gifts of a car or something like that. So he was that kind of a guy.

SARGENT: Great grandfather to have.

PARKER: Yeah, and he had this big--I always remember as a boy growing up--he had this wad of bills, and he'd peel off a five and hand it to us. Of course, then, a five was big-time.

SARGENT: Yeah, no kidding. All right, so let's see-- Back onto the friends and families. I guess you covered-- Father, UC Berkeley-- Your mother went to where?

PARKER: Nebraska Wesleyan University. Dad went to Berkeley. And migration-- The Parker ranch was in Santa Ynez--and as a matter of fact, I can give you a brief history of the Parker family, which will help you-- I'll pull it from the file, but I don't have it right in front of me. They were all named John Parker, and every other one takes the middle name-- Like my dad was called Warren, but he was John

Parker, and my son Brian is John Parker, but it's John Brian Parker. So that's the way the Parker tribe goes. But they

had a big-- I forget how many thousands of acres ranch in Santa Ynez. And they raised all the horses for the L.A. police and fire department and they'd drive the herds into L.A. Of course they raised other things, too there. And my grandfather, John Parker, was a very, very bright guy. He spoke fluent Spanish because they had hundreds of Spanish people working for him on the ranch. And he was a court interpreter, using his Spanish skills, and also he was the constable. You know, it was sort of like an honorary type of thing. And I have his giant six-shooter revolver that he had when he was a--

Then he was offered-- Our family comes from royalty in England, and I have-- I didn't bring those papers, but when I was over there, I got a peerage book, and we're Earl of Morley. And in the early 1900s he got a letter from England saying, "You are the oldest son and have inherited the Morley"--whatever it is--"estates and so on, if you come back to claim it." And he didn't want to leave Santa Ynez. He was happy as a clam there. So he gave it to some distant cousins. And the Earl of Morley is still there in Devon, outside of London--and I'm just getting ready to write him a letter; I finally got his address and stuff like that-- Very active man in every way. He's on all kinds of government agencies as a chairman, very

active in agriculture, and he was also a colonel in the fusiliers in the British army. So, anyway, Weslie [Parker] would be a countess and I would be the Earl of Morley if my grandfather had-- So of course, I don't know, would I rather live there or here? I have to go look at it, see how the deal is over there. But I can give you the Parker background, and I can give you the information on the Earl of Morley there. So that's sort of fun. If you're looking for migration, there's the migration there. My mother's family were Egers--

SARGENT: So if I could stop for just a second-- On your dad's side, one interesting thing is that we see a lot of immigrants coming and starting a lot of businesses, first generation, and I'm just curious. Do you know when the transition was to England?

PARKER: You know, that I'm going to have to do a little research on. My dad was born in 1889 in Santa Ynez. His sister Inez was named after the mission there. Of course, they were very active in all the local politics. They had the largest ranch in the Santa Ynez Valley and very close to the Buell boys that founded Buellton. You know the town of Buellton there?

My dad was an excellent athlete and was a pitcher on the baseball team, sort of pitched semi-pro ball. I'm not sure when my grandfather--his father--[died] because he died before I was born. He died young, and I'm going to have to research

when they actually landed here. I think it may be in the document I'm going to give you. They came first to Minnesota and then they came out by however you came out then--I don't know whether it was train or whatever.

SARGENT: They probably didn't have jets though.

PARKER: I don't think it was the Concord. [laughs] I think it was something a little slower than the Concord, probably a horse or a choo-choo train. And they landed in Santa Ynez and then they had the huge ranch and then they eventually--somehow and I'm not sure quite the reasons--moved into the San Joaquin valley and had another ranch there, and mainly wheat and barely and things like that they raised.

SARGENT: Buellton is--?

PARKER: Buellton is right adjacent to Santa Ynez. It's right near there. And he started his life in California--

SARGENT: I guess my California geography is off-- Where is the Santa Ynez Valley? Is that north of--?

PARKER: You go north of Santa Barbara, turn into Buellton, and there's Solvang--you know Solvang, the Dutch community?--and then you go on-- And if you go into the library in the Santa Ynez area, they have a little "hysterical" society, as we call it: historical society-- Well, I've founded many historical societies, including the one here in the Del Mar area, and you'll see the Parker family--you know--very active



in the community.

SARGENT: Good, so in Buellton--I guess you have-- By point of aside, Bill [William M.] Cockrum has a house in--

PARKER: Oh, does he?

SARGENT: Actually it's right near Solvang.

PARKER: Yeah, well, it could be in Santa Ynez. And there's a mission there, a big Catholic mission, and so on like that.

I'll get you the dates of when they came over from England and that stuff.

SARGENT: All right, so, now, what was your elementary and secondary education?

PARKER: Well, I went to North Hollywood schools: to Lankershim [Elementary School] and then I went to North Hollywood Junior High [School] and North Hollywood High [School], and then off to UCLA to the Anderson School.

SARGENT: To the good ole Anderson School.

PARKER: The Anderson School.

SARGENT: Okay, good. And was it called the Anderson School back then?

PARKER: No.

SARGENT: It was just UCLA [School of Business Administration]?

PARKER: Business, yeah.

SARGENT: And so when did you graduate from elementary school and high school?

PARKER: That's going to be a good question. I'm going to have to look back into that one. Well, I started at UCLA in 1946.

So obviously I graduate from high school when?

SARGENT: Nineteen forty-five. Just missed the draft.

PARKER: Yeah, I did, for World War II. We were a three-year high school. Then I had junior high and-- I can't remember the date I graduated from high school. We'll have to figure those dates out. Probably '40?

SARGENT: Yeah, '40.

PARKER: So that will get us six years. Yes, went to the sixth grade-- So I guess it would be about 1940 or '41.

SARGENT: So in 1940 you graduated from primary education-- Junior high, '43--

PARKER: High school, '46. Yeah.

SARGENT: And then UCLA in '50.

PARKER: Right.

SARGENT: So we got those dates down. And tell me a little bit more about UCLA. What was your--?

PARKER: I loved UCLA. You know, I lived at the fraternity house on Landfair, and for a couple of years I drove over through Beverly Glen from North Hollywood. And it was a much smaller school and much more personal. And [I] joined the fraternity right away, and then I was sort of like the pied piper. I was very active as the student body president in North Hollywood

High School and I was the only three-year letterman, varsity letterman, because I got a letter in tennis, football, and basketball-- So then I was very active in the student--what do you call the Escaderos--and I was the president of the Letterman's Club, and I got the all-high-school annual with-- And then I was the editor of the yearbook and had a deal where I got in every picture, and I had to even--me peeking around the door--since I went home and did it in my little desk, and montaged all the pictures in. I think the teachers and the education there was brilliant, and I enjoyed the years I was there and I had a lot of fun in the fraternity. And I was the rush chairman in the fraternity and brought all of my friends-- As I said, I think I mentioned to you, Al, I was like the pied piper-- Half of the members of Sigma Pi fraternity turned out to be from North Hollywood. Well, we just all liked each other, and when they saw I pledged Sigma Pi, they all just joined me.

SARGENT: So you were the North Hollywood mafia.

PARKER: We had the North Hollywood mafia.

SARGENT: That's great.

PARKER: So there we were. But I had a great time and a good education, good marketing department, and that's sort of when I decided I wanted to go into advertising, from UCLA, because I think the professors there sort of inspired me and I seemed to do well in the classes. And I remember the guy that wrote

all the books on market research--this is way, way before your time--was the teacher, and the first big test-- He didn't give many tests, maybe it was a final, I can't remember. It was subjective tests, and he would subtract if you guessed wrong, and the average on the test--and I probably have these figures wrong--was like a minus twenty.

SARGENT: Oh, my gosh.

PARKER: And I got an eighty-six plus.

SARGENT: Wow, well, good for you.

PARKER: And I had no idea I did this well. So I guess what it told me is that I must get it, you know?

SARGENT: You had a good intuition on it.

PARKER: Yeah, I guess I got it. I just sort of-- Some people are good tennis players and some are good at golf or, you know, you may beat me at tennis and I may beat you at golf or whatever, but I think I understood marketing and market research and what made it work.

SARGENT: Now, what did the marketing curriculum look like back then? You know, the comparison on how it looks to a marketing curriculum today?

PARKER: I don't think there's any comparison. It was just-- You know, it's not as sophisticated. Of course, we didn't have computers then. And the classes, I don't know how big your classes are, but the classes weren't all that big.

SARGENT: Yeah, there are about thirty [students].

PARKER: Yeah, right. Ours were probably about the same, and a lot of discussion, as I'm sure you guys have, and some fieldwork. We did some research out in the field.

SARGENT: Okay. Sounds like my marketing this quarter a fair bit. We're doing some fieldwork with about thirty people. We are fairly heavily computer based and--

PARKER: I remember one guy--this is a funny incident--these things you remember-- You know it's been a while since I've been in college, Al. Fifty years?

SARGENT: Well, a couple of years.

PARKER: There was this guy-- We were doing this thing on razor blades. You know, razors? And one guy says, "Well, that's just for men. I mean, women don't use razor blades." The professor says, "Well, how do you think their legs get that way, big guy?" Actually, they'd look pretty bad if they didn't use razor blades.

SARGENT: That's cool.

PARKER: That is sort of a funny, funny incident that happened at school.

SARGENT: Any other good memories from--?

PARKER: Well, we were going back to the days before television was there, and I did a report--which I don't know where the hell it is--on television usage and size of the picture. I mean, at that time, television screens were-- I don't know the

exact number, but probably about ten or twelve inches wide. And we did a lot of, actually, studies door-to-door, made up our own questionnaires and talked to people about television and what they would use it for. And it was really a fascinating kind of thing, because it was really just getting started--

SARGENT: That's great, because, sort of like the people talk about the Internet today, I mean, it was a brand-new--

PARKER: Right, it's like that. You know, like E-mail and the Internet and surfing the Net-- Well, you could tell how dominant television is going to be once you started doing those research things because--

SARGENT: People just loved it.

PARKER: Yeah. The information and shows, and it was just bringing life right into the home. For housewives, too, it was wonderful.

SARGENT: Yeah, did they know what television--? Like with new inventions, they say, well, sometimes they're sort of way off the market predicting what it will be used for, sometimes they're on the mark.

PARKER: Right.

SARGENT: And do you remember what they were saying television would have been used for back then?

PARKER: I'm trying to think. You know, I really can't recall, to be honest with you. I think, of course, the main thing was

the news. They loved the shows, like *The Big News*, and-- I forget some of the names of these old stars of television. But there were shows that-- And I think that it provided entertainment at home for people who probably couldn't, in a way, go out and do that kind of thing. You know, the wealthy people can do whatever they want to do, but I think it provided information and entertainment for the average person. And I think that's what television originally did, and it's still doing [it]. So, yeah, that kind of thing, sure. Okay, where are we here?

SARGENT: Okay, so influential teachers, mentors, family friends, acquaintances-- Name a few and tell me a little bit about them.

PARKER: Okay. I can't think of his name, but the market research teacher was definitely a mentor, and very influential on my leaning towards advertising, marketing and market research, and also making sure that I did my homework on products that I was going to advertise and do [and that] we didn't go flying off into a wrong direction. I can't think of his name because it's a long time ago, but he was extremely influential and sort of directed me on a path. What else? I had some brilliant marketing

advertising teachers there, you know, full of enthusiasm, and just looked like fun to me. It looked like you could

make a good living and have a lot of fun doing it. And that's the best of all worlds, I think, if you can enjoy what you're doing. So many of my fraternity brothers from UCLA have good jobs, but they really-- I remember one, went [to] work for Honeywell, and he always wanted to do something else--I can't remember what it was--but he rose to be vice president and all that stuff, but really never truly liked his job. I mean, it was not fun for him.

SARGENT: Right. So you've found something that really captured your interest early on, done that, and then kept it fun.

PARKER: Right, yeah. Well, we had a good time. We did. We had a lot of good times, and advertising in the early fifties was a lot easier than it is now. The rules were not as tough, and you get out there and just-- It was a lot less expensive to get in TV and so you could really, I think, be a little more creative than you are now. Now they're so structured, because of the high cost of television time. If you go on the networks, you're talking millions of dollars. You have to use focus groups to test, and sometimes through the focus groups you beat out the real creativity that is basically in the commercial. And there are a lot of ethnic problems nowadays, gender problems--females, males. Probably half the ads I did they'd throw me in jail now because they would



be illegal. Not that they were bad--they weren't--because I'm not prejudiced in any way, shape, or form, but it's just the nature of things nowadays.

SARGENT: A bit more sensitivity--

PARKER: Yeah, all kinds of issues. So they have in the [Museum of Television and Radio] in New York-- They wanted all my commercials: radio and television, print stuff-- So they have it all back there now.

SARGENT: Oh, wow, that's good.

PARKER: Yeah, we're a feature back there.

SARGENT: So the faculty weren't a bunch of old--? I guess you mentioned earlier that your parents--?

PARKER: Parents were really influential. I mean, they kept me pointed in the right direction. They all believed in college and enjoyed it. My mother started a mother's club or women's kind of club for the fraternity and had fund-raisers and helped redecorate the house, redo the living room-- And they set up a room for the ladies when they came so they'd have a bathroom of their own and they could change in there, whatever might need to be done. And when I got out mother stayed in the mother's club at UCLA for eight or nine years. She was still active in it even though I was out of school.

SARGENT: That's great. Obviously, you rub shoulders with a lot of people who are very impressive. Do you think part

of it had to do with your mom's, sort of, good cultivation of friends?

PARKER: Yeah, absolutely. Yeah, she was very, very active in women's clubs--more active than my dad because he was working and running the truck store, and stuff, that he owned. But Maude Wooldridge, of Thompson-Ramo-Wooldridge [TRW], was one of her best buddies and they played bridge together, and I kept telling her, "Mom, get the account for me." So mother was very social, and, of course, she had two sisters that she was really close with, but she was out[going]. And we had many parties at the house, and we lived right in the Toluca Lake area, so we knew-- Like, Roy Disney was a buddy of mine; I'd come to his house and he'd come to my house. His house was a hell of a lot bigger than my house, but it didn't make any difference. So I grew up with that group. John Wayne's kids and all that and all of the movie people went to North Hollywood High [School], in that area. That's where they all lived.

SARGENT: Really?

PARKER: Yeah, in the San Fernando Valley there.

SARGENT: And what was that like, growing up with--you know--children of John Wayne and--?

PARKER: Well, you know, you never really thought about it. You just did stuff together. And [Peter] Yates, the producer,

his kids and all that, we all went to school together. And I was sort of a big man on campus. I mean, if you went down the roster of names, there were just an enormous amount of either producers, directors, actors: the whole movie industry.

Filmmakers-- The whole area was just permeated with the movie industry, because that's--All the studios are right there too. Universal [Studios] and Warner Brothers were just right down in the valley there.

SARGENT: So show business was definitely part of your life.

Maybe that had some influence in going into radio and--?

PARKER: Sure, my dad was real close friends with Bob Hope, who came into the drugstore. And Bing Crosby, who just-- They all lived within two or three blocks of us.

SARGENT: Wow. What a life. That must have been pretty cool.

PARKER: Bob still lives there. He still has a house there.

He has a house in Palm Springs, but he still has that house in Moorpark, right near where our house is. Like I said, ours was a little smaller than his.

SARGENT: That's okay.

PARKER: But, anyway, his kids all came in and the Crosby kids--you know-- So, yes, definitely, but it wasn't a pretentious thing. I mean, we just all went to school together.

We're just all kids, you know. But very casual-- I mean, like I would roll over to their house and they would come

over to mine. So we did stuff together. It was nice going to some of John Wayne's-- Bob Fellows-- You wouldn't recognize that name, but he and John Wayne produced a lot of the movies.

It was FellowWayne productions. And we used to go over to his house and swim in the pool and play tennis and eat his food and all kinds of stuff. So we went to these huge houses, and a whole pile of us-- It was just a ton of fun.

SARGENT: It must have been an awesome place to grow up.

PARKER: It was. It was a nice time too. It was a good time to grow up.

SARGENT: So fast-forward to the university. Any other influences from your childhood?

PARKER: You know, I would have to think back. Names sort of disappear.

SARGENT: That's okay. If you think of one later--

PARKER: Yeah, I'll have to ponder that one. I can't think of anything right now, Al.

SARGENT: Yeah, that's okay. No problem. Then, once you graduated from UCLA--

PARKER: I went tearing off to Korea, because I had taken ROTC [Reserve Officers Training Corps] and I had a second lieutenant's commission, so [I] went back East for some training, because I graduated I think on the nineteenth or something like that, in June. We graduated in the Hollywood Bowl, and then three

or four days later the Korean War broke out, and I had the second lieutenant's commission, so I worked sort of an entering job. They call it "republic supply." It was just sort of an oil supply kind of thing, and they were looking for college graduates to train so [I said] "I'll take the job." I knew I was going to get called, and I did. So then we all ended up in Korea. So that's the way that one went. And then got back and started with Batten, Barton, Durstine, and Osborn advertising [BBDO Worldwide] on Wilshire Boulevard. And all of us started-- The only way you could get into an advertising agency without previous experience-- At that time--I don't know how it is now-- [it] was really tough. So you really had to sell them. And I remember Andy Neely was the manager of BBDO and somehow we hit it off, because there was a line of guys and girls trying to get jobs there. Somehow he liked me; I think because of my military training and things like that. He hired me as a mail boy, and I started writing copy-- You write and hand it into the copy chief, and he liked my stuff. So then they moved me out of the mail department and put me in as copywriter.

And then I did that for a year or so and then got a chance to go with a small agency--Larry Raymond Company it was called--where I could do everything. I could be an account executive, write the copy-- And then I worked for Larry for

about three years and then I just decided to bust out and start my own agency, like you're doing. And I started with \$2,000 and on September 1 of 1959 started Parker Advertising [later called Parker Industries]. And one of the first accounts-- I had some small, industrial kind of accounts; I can't remember the names of them. I got a call from the editor of *Automotive News* on the West Coast that said, "There's a Japanese car account that doesn't have an agency, so get in your car and tear down--" He had a selfish motive; he wanted me to do up an ad that they needed done for their big annual almanac issue of *Automotive News*, and it was a full-page ad. So I met Ray Hoen, the ad guy, or, actually, he was a sales manager, and we hit it off.

[I] never had a contract with Nissan [Motor Corporation], and just became their agency and did all of their work, not only advertising, but their PR [public relations], their marketing, and handled their race [car] program, and pretty much all of the activities they had.

SARGENT: So you pretty much--full service, full-serviced marketing.

PARKER: Yeah, totally.

SARGENT: So Nissan really flowered quickly. Was it really that easy, or was it--?

PARKER: Well, it was tough. You see that ad up there? Now, if you look in the picture, that's an ad in a catalog sheet

of the little two liter sports cars. That's me in the ad, because we didn't have any budgets. So you'll see [that] initial ads done in the early sixties were my family, my cat, my dog, my house. We shot most of them up in Palos Verdes where our offices were, and I was in them. And I did do some of the voice-over and stuff because we didn't have any money for announcers. We had no production budget. And I'd hire a guy from a newspaper that did freelance photography or something like that. We'd squeak around. I'd go down and we'd shoot a bunch of film and I'd go down to an editing place and we'd edit through it and cut and splice together commercials, and then I'd write the copy as we were right there doing it, and then "whap" it on the air.

SARGENT: So you're a really good bootstrapper. I mean, well, one, if they were starting an advertising agency, [they] might outsource these things, but with outsource comes a high expense.

PARKER: Very high. Yeah. Nissan-- The Japanese didn't know a lot about advertising. It wasn't that they didn't believe in it-- Of course, they do now, as you can tell by all their products. But initially in the early sixties they didn't advertise in Japan. Any advertising that Nissan, Toyota [Motor Corporation], or Hitachi, or any other of the big major companies [would do] was more institutional. [They] would sponsor the symphony or something like that and the cars were sold basically

door-to-door. A salesman would ring, come in, bow, and serve a cup of tea, and take you on a test drive kind of thing. So they didn't, at that time, need to advertise. So we had to sort of teach them advertising and the need for it. The first brochures that came in were so pathetic; the misspelling in them and misinformation was awful. So I had to just dump them. And that's why I did some of these single-sheet things.

I couldn't spend too much money on them, but at least I had to get something that was accurate to the consumer.

You know, that's some of the first stuff, but we got real fancy as time went on. The Japanese are quick learners, and I went back to Tokyo in about '63 or '64 to teach their executives the marketing and advertising, because they basically didn't even have marketing departments at that time.

SARGENT: Is that right?

PARKER: Yeah. But they would take prolific notes, and I'd get up at the chalkboard and explain to them how--in the United States--a marketing department worked, and the PR and the advertising. And also the other thing that's difficult for anybody to understand who's like Japanese or from a small country is how big our country is--is huge geographically--and also that we have different, sort of, ethnic kinds of things.

We handled all the dealer groups and the individual dealer advertising kits that were sent out. And we made all the



signs for the dealers: the posters, and all the in-store display pieces. And Brian, my son, ran a company, Pendant Industries, that mailed all that stuff to dealers. And we even did the car manuals. You know the car manual you get [that] tells you about the car?

SARGENT: Right.

PARKER: Yeah, the mailings and things like that. We became an integral part of Nissan, and they relied on us more than advertising agencies were then relied on, and certainly now.

In fact, I had a discussion with my son this morning, who spends a lot of time in New York with advertising firms and promotion firms and stuff like that. Mainly advertising now is sort of an a la carte thing. You have your creative boutiques; then you have Western Media that buys the media, or some other large media conglomerate; and then you have another group that does the research, but it's given directly to the client and then it's sort of shared. We've sort of had it all under one roof. As a matter of fact--this is sort of an interesting thing--Nissan did not have an advertising department here in the United States or an ad manager for the first ten years that we had the account.

Finally, I said to [Yutaka] Katayama, "You know, Mr. K, you're spending \$50 million here with me; I think you ought to set up and have a guy--" It was great for me, because it's

like me selling Bill [William H.] Gates [III]; he's the guy who makes the decision. He doesn't have to say, "Well, gee, I have to check with the senior vice president to make sure he likes this." Well, if I sell it to Bill or Katayama, it's done. So it saved a lot of stuff. I mean, I'd come in, give my presentation, and I was out of there. I didn't have to work with the political-- And they have a good function and a needed function, but you need them there. And I told "K" that he needs to set up an ad department where he has people responsible, and I wanted to shovel off-- I hired Paul Newman to race our cars and stuff like that, and we had various racing teams to prove the performance of Nissan--the Z cars [240Z] and things like that.

But they needed to have corporate people involved in that and I wanted to sort of shovel off some of this stuff. We were doing too much for them that we shouldn't have been doing, should have been done in-house, so finally, I hired the ad manager for him, a guy from *Motor Trend*. And he did a good job. And then he built a department there, too. They had a guy who would handle, like, collateral material. You know, the print and all that stuff? The only trouble with Dave-- It was funny; his name was Dave Marshall-- We would come in and most of our quarterly campaigns were a lot of money, and we had all these estimates, and we had call reports.

You know, we were a sophisticated agency. I set up a lot of traffic systems that are still used by agencies now because I like things all buttoned up. I don't want any loose ends around.

SARGENT: We've discussed this before-- But Katayama was the--

PARKER: The president and chairman of Nissan Motor Corporation in the USA. We're having a party at our house the twenty-fifth of October, when he comes back from Detroit after receiving his induction into the Automobile Hall of Fame, for about eighty of the top executives of the car companies and local car people, writers and dealers. In fact, at ten o'clock last night--a weird phone call, because Weslie and I don't like to take calls after nine because we're sort of early risers and early to bed--the president of Volvo [Car Corporation], who's a dear friend of mine, called, Bob Sinclair, and said, "John, I can't make your party." Says, "We're leaving for Tuscany," like my friend Bob Witty is, here, "and I just can't get back in time." Says, "I haven't packed and I want to be there, but will you pass on to Mr. K my best?" and all that kind of stuff.

SARGENT: This is a friendship that's really endured then?

PARKER: Oh, yeah. I would say he's probably my best friend overall in my life.

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PARKER: [Katayama] took his wife out and showed her American things, shopping and stuff like that. And they lived up in Palos Verdes, where we lived. And they came to Thanksgiving, Christmas, Fourth of July, [to] which Katayama would bring fireworks, and I kept telling him, "They're illegal, K. You're going to get me thrown in jail." But he said he [was a] very extroverted Japanese man, and he'd do his fireworks this way for all the kids. And I said, "Just don't burn down Palos Verdes." They were there for Christmas-- So we taught them all the American holidays and they were like part of the family.

They knew Brian when he was born and our daughter Lia [Gallegos Parker]. And we're close personally, and in business, too.

We had a big home up in Palos Verdes, sort of a couple of acres. We had a Japanese teahouse in there, and Iris [Landry Parker] was a great gourmet cook. We'd have kimonos and then we'd have some Japanese kind of drinks and we'd go out to the teahouse and she would cook food. We'd have little tiny BBQs.

We put the skewers--beef--on, and she had prepared other meals, and they just loved that.

We not only had Nissan, but we had Hitachi and Bridgestone [Corporation] and Sumitomo Bank. Then we had

NGK Spark Plugs and Noritake [Company]. And I'm sure I'm missing a big one, but we had basically all the major Japanese companies.

SARGENT: Right. Now, how did that work? How long had you been--? I assume these were references that--?

PARKER: Not only references, they almost force you to take the account. They really do. I had a situation where-- Mitsubishi [Electric Corporation] is a huge company and they started a bank here. And we had the Sumitomo Bank. And the head of Mitsubishi is not only a big wheel in the business, he was like--how would you describe him--high up in the caste system in Japan. His father was a billionaire and he felt our advertising was the best, and he wanted us to do his advertising. I explained to him [that] I'm a national officer of the American Association of Advertising Agencies [AAAA], and I said, "We have a rule in our country where we cannot take competitive accounts." For example, I could not take Nissan and Toyota because if you were Toyota, and some information leaked out-- See, we had all the information far in advance of a new product introduction because we had to do all the new material for them. We had to produce commercials and new cars are a very secretive thing. When you get a new car in, you don't want the competitors to know about your new car until you're ready to whap it out there and hit them

in the nose--you know--get the business from them. So that's a rule of the AAAA. It's a commonsense rule of good business.

I kept telling this guy-- And it really pissed him off. He went to Katayama, and Katayama calls me, and I said, "Katayama, I can't do this. You have your rules in Japan. There's certain things you can do and can't do." And I say, "I'm the second in command of all the agencies in the country here. I cannot take on a competitive bank." And even though Mitsubishi was a bigger budget, I said, "I can't drop Sumitomo," which is one of the largest trading companies and banks in Japan.

SARGENT: So Mitsubishi bank competed with Sumitomo Bank?

PARKER: Right, on a retail basis.

SARGENT: As opposed to Mitsubishi cars.

PARKER: Right. Now, we couldn't take Mitsubishi cars anyway.

But, boy, that guy-- I think he's still pissed off at me. He never understood why because he had a huge ego. Well, I guess the point being--

SARGENT: So you never took the ad then?

PARKER: No. We kept on with the basic clients we had and then we-- You were talking about how did we get those accounts.

Well, they're all interconnected. Hitachi is a sister company of Nissan and so Hitachi came over. We had big, huge, beautiful buildings in Palos Verdes. It's about forty thousand square feet of buildings that we built ourselves. And he loved to

play golf. Hewas an older senior executive VP [vice president] of Hitachi. We played golf one Saturday morning with Katayama. We came back to my office. I had an English pub-- I had this huge office about three times as big as this, and then I had a whole English pub there, and we sat down and had the gals serve drinks and stuff.

And he says, "Well, you have our account."

And I said, "Can I tell you about Parker Advertising? Anything?"

He says, "No. I don't need to know anything." He says, "You handle Nissan, you do good job--" He didn't speak real great English. He says, "You're our agency."

So that's how those accounts happen. Bridgestone the same way, because they're a sister company of Nissan. By sister company, I mean they're just all interconnected: How their daughters marry the sons and the sons marry the daughters, and they're all family. They're all like samurai kind of thing. So I don't know if it still works that way, but probably does.

SARGENT: University [of Tokyo]--stuff I've read--they said University [of Tokyo]-- If you get in there, that's just--

PARKER: Oh, that's Harvard [University].

SARGENT: That's the Harvard of--

PARKER: Yeah that's their Harvard. Katayama was [from] Keio

University; he was very active in their local alumni. But Tokyo University is the number one school considered in Japan--

SARGENT: So, you know, part of the term we hear is *keiretsu*?

I don't know if I pronounced that right. Did that have something to do with it or was this sort of a different thing, more of a social--?

PARKER: No. It was synergism in terms of--like a *keiretsu* kind of thing, you know-- The radios in Nissan cars were Hitachi; the tires on Nissan cars were Bridgestone. You know, everybody drove in Bridgestone and Hitachi/Nissan cars. It was all intertwined. But there was a lot of intermarriage.

SARGENT: So the links were both on a commercial level--?

PARKER: And a social level. Very much so. Sure. And then we had Suntory, which was a lot of fun. There's two guys:

Saji and Torii. Now, the young Saji was an M.B.A. from UCLA.

I got them into the U.S. market. I did all kinds of various stuff, because the liquor business is one tough business.

I mean, it's hard to get distribution, because Seagram [Company] and a lot of these major companies own the market, and they don't like little guys coming, even though Suntory is a huge company. They have twenty-two hundred restaurants in Japan.

But we got them distribution. I actually hired a couple of liquor guys who went out and even went into restaurants serving samples of Suntory and putting on, sort of, demonstrations



and shows, and we got them good distribution and pretty good sales in the country. They went into a partnership with Brooks Firestone here in the Santa Ynez Valley, and I know Brooks and the Firestone [Vineyard]. They're out now. So I got them into that deal.

SARGENT: So Brooks Firestone, just to clarify, is a person, not a company.

PARKER: Well, he's the son of the founder of Firestone--

SARGENT: Oh, okay. The tire company.

PARKER: --the tire company, which they bought. So, anyway, there's a lot of personal things in Japan maybe more than [in the] U.S. They probably rely a lot more on family and personal-- There's a lot of the caste thing. Like I say, University of Tokyo, that group.

SARGENT: So how was--? I guess, thinking about these different businesses: car company, Nissan, Bridgestone, Hitachi, consumer electronics, and then liquor--

PARKER: Hitachi makes huge generating plants and, hell, I think they even make atomic stuff. They make huge equipment.

Katayama's son was a top executive with Hitachi. But these companies are very tightly woven in together, and there's cross board members and all that kind of stuff.

SARGENT: Did you find it different to market, say, cars than a bank or compared to, say, liquor or tires?

PARKER: Not really. I think the main thing is to learn the products thoroughly, try to bring a team in of people that understand that specific area. For example, we did Redken [5th Avenue NYC] cosmetics. We were their first and only agency. We named their products, designed their products. Like Paula Kent [Mehan] said, "You guys have all the fun. You get to do all the good stuff and we have to make the goop." So what I did is I hired--stole a Revlon employee. I go tearing back to New York-- And then we would get our models from New York because these gals out here--bless their hearts--just couldn't hack it. You had to have the best or you're not going to sell cosmetics. You can't just hire a Southern California surfer girl and throw her in a cosmetic ad. You need a Christy Brinkley. So that's what I did. And like for Nissan--to show you to what extent we went--I went back to Detroit and stole the head of research for Chevy [Chevrolet Motor Division of General Motors Corporation]--right from under their nose and brought him out West.

SARGENT: To work on your ads?

PARKER: To work in my agency.

SARGENT: Marketing research?

PARKER: No, not car research, advertising research. No, no, no, not car. Although we did Yankelovich [Partners] studies.

We had three Ph.D.'s in our own department. Well, we were playing with the big kids. We couldn't screw around. In the advertising agency business you can't ever make a major mistake, ever. Because if you do, you lose the account. Then we hired Ab [Abbot] Davis, who was the top media buyer for General Motors, because he knew the ins and outs and who to talk to to get us in on the buys. And then we hired one superstar network buyer so that we could get the NBA [National Basketball Association] buys and the NFL [National Football League] buys and stuff like that.

SARGENT: So you really built just a great team.

PARKER: Yeah. We did.

SARGENT: Great team. All-star team.

PARKER: That's how to do it.

SARGENT: Now, how did you--? Essentially, when we look at the early days of Nissan, you were--

PARKER: Well, we didn't have any money, so you improvise. Right?

SARGENT: And then we later on have this all-star team of Ph.D.'s and top people from Detroit and Yankelovich studies. And I'm interested in the transition between those two phases. Can you illustrate some of the major milestones along the way?

PARKER: Well, the milestones-- It's like anything else really.

The product is what really is going to determine how well you do. Now, we can do better than, maybe, many other advertising agencies, and we did with what we had. One of the major milestones is when they came out with the 510 four-door car, which had disc brakes, independent rear suspension, had a lot of sophisticated features that were on much more expensive cars. Our cars came, basically, fully equipped. I don't know if you know much about advertising or marketing, but we call it a copy platform or something like that. The basic copy platform I wrote when I was about twenty-some years old for Nissan that night is the one they still use now, basically, because the elements of the car are still the same and [that's] that [it] saves when you buy, saves when you drive. Well, saves when you buy, because they basically came fully equipped, and that's what we-- Whereas, in those days--and you wouldn't remember that--Chevrolets and stuff like that came like a shell unit. If you wanted a cigarette lighter, whitewall tires, a heater--it was all tack, tack, tack, tack. But the first Nissans that came out were \$1,596 for a car fully equipped, everything but a radio: so saves when you buy, saves when you drive. It got great gas mileage. And they were getting thirty-five miles to the gallon because they had these little four banger [cylinder] engines and they were extremely efficient, and the other thing about them, which was the thing I think

that really created the value-- And the value is determined by resale; when you keep your car for five years and you go to try to sell it, you get either nothing for it if it's a junker or you get good value because it is a quality car and it has held up and hopefully you've kept it really good. So that has to determine how your car is going to sell on the market. The first thing we had to overcome is that it was a Jap[anese] product so it was "no good." And we did that, and the way I did that was sort of interesting. It's a whole story in itself. I mean, you could write a book on this one.

SARGENT: Sure. Give it to us. We got ten tapes in there.

PARKER: I'll tell you how we did it. Very simply, there's a difference in the car business--if you were a car man you would know it--between truck guys and passenger car guys.

SARGENT: I drive a truck.

PARKER: Okay. In the sixties trucks did not have the engines they have now. Passenger cars were prestige; trucks were low-class. It's not so much now--I'm just talking about back in the sixties, seventies, and eighties--because trucks now are getting to be huge. Well, Nissan came out with this little pickup truck that would just go and go and go and not cost you a nickel, and, then, you could put two hundred thousand or three hundred thousand miles on

that little sucker. And all the paperboys in Palos Verdes, and every place else, used the little--but we called it Datsun then--Datsun trucks. And the dealers were just thrilled because they made a good margin. They could pretty much sell them at a full pop and nothing ever went wrong with them. And that established Nissan quality in people's minds. I can remember, because, like I told you, I was so integrated-- Sometimes the dealers would call and order cars from me, and I'd say, "I'm not the factory. You've got to call the factory. I'm the ad agency." They said, "Well, you were involved with them; send me twelve cars." And I said, "Let me give you the name of the distribution guy. You call him, order the cars from there."

But, anyway, sometimes they'd call, they'd say, "You know, John, I've got to tell you, those trucks you guys sold us are so great. The customers come back. They get great gas mileage.

Nothing ever goes wrong. They don't even have to lift the [engine] head off after a hundred thousand miles. I'm going to try the passenger cars." And so I talked Nissan into really pushing the trucks. I got Roy Rogers, and I gave him two pickup trucks and a four-wheel drive, because I didn't have any money to give him, and put him in the ads and had him do commercials for us, and that helped to establish--you know--here's a local cowboy hero that loves these Japanese trucks. So that's sort of how we got rid of the Japanese image.

SARGENT: All-American as Roy Rogers.

PARKER: You got it. Right. It was a real simple thing.

SARGENT: And drawing a link back here, I guess maybe it would be fair to say that these were childhood friends of yours.

PARKER: Right. You got it. First of all, that helped us get distribution. If we hadn't had the trucks, it would have been hard to compete with those little passenger cars, because they weren't that wonderful then. So that's one thing that helped us. You know, sort of benchmark things that happen. The second great thing that happened was the introduction of the Z car, because the line we use, and we really meant [it], "There's a little 'Z' in every Nissan"-or every Datsun. The Z went like stink. It was a great-design car, sort of revolutionary. The original ones only sold for, like, \$2,900.

SARGENT: Wow, gee.

PARKER: I know. People would buy them-- I got my stock broker and dozens of people cars from my dealership in Torrance, and they kept them five years and sold them at a profit. So the Z car helped us really expand Nissan's line.

It showed they could produce a great sports car that was excellent in racing, did terrific in racing, and it just helped us market.

SARGENT: It just really did well.

PARKER: It was our silver bullet. Gave us a-- And then people

would buy, you know, they'd come and buy the passenger cars.

And now one of the problems Nissan has right now, they dropped the Z, and they have no sports car.

SARGENT: Why did they get rid of it if it's--?

PARKER: Nobody knows. You know, I'm out of the loop. So is Katayama. I think Nissan has not done well in the last years. So when I handed the baton over, when Katayama went back home, and they wanted to move to New York and I didn't want to play the game, you know, I just thought [I would] sell my accounts and just move on. And I had a lot of other businesses going. I was building buildings, and I had owned KYYX radio station, down here in San Diego. I lost my point; what was I thinking of?

SARGENT: I guess Nissan's demise, essentially, and their sports car.

PARKER: The one thing K had was a feel for automobiles, and he kept bringing in new car ideas. I think they lost focus on bringing in exceptionally good cars. I think Toyota got ahead of them. Oh, I know what I was going to tell you.

I lost the point here. I was thinking of something else actually.

When I handed over the thing, and when K went back and retired to Japan, they were number one in import car sales, and they were number one in passenger sales. And ever since that they've gotten clobbered by Toyota and Honda [Motor Company] and they're



weighing in at a long third now. And most of the dealers are in the red.

SARGENT: So it seems like their product--

PARKER: It's mainly product, really. It's like anything else.

You know, they say-- We're talking about combat one time, and it's the guys who have the best equipment that are going to win. You can have all this heroism and everything else, but if you've got bigger guns and bigger tanks and better tanks and better rifles, you're going to win the war, no matter what the hell happens. So any product, I think--and particularly a car-- You've got to have a current design, good reliability, and you've got to have some pizzazz to it.

They don't have a lot of pizzazz, the Nissan cars right now, I don't think.

SARGENT: Yeah, kind of boxy.

PARKER: Yeah, they sort of are. And the new ones, I don't know. The Altima is a nice-looking little car, but it doesn't carry a whole factory line. So I don't know what's going to happen to them. Katayama is sort of discouraged.

SARGENT: Yeah, it's too bad seeing that.

SARGENT: So here I'll try to do my best to ask a provocative question.

PARKER: Oh, that's okay. Provocative is fine.

SARGENT: It would be fair to say all the marketing, advertising

in the world cannot make up for a bad product then?

PARKER: No, noway. You know what it will do? Good advertising will drive the product in the hole. It will kill it. Because the more people start talking about it, they will say, "Well, yeah, the ads are great, but the product sucks."

SARGENT: You can almost call that *Godzilla* syndrome.

PARKER: Yeah, I know what you're saying.

SARGENT: *Godzilla's* marketing--I was in Kuala Lumpur, Malaysia over spring break--

PARKER: Oh, Kuala Lumpur-- I like Kuala Lumpur.

SARGENT: And they had *Godzilla* hats just like the ones here and same rollout. I mean, just incredible, simultaneously global rollout, and the movie--

PARKER: Was it dead?

SARGENT: Dead, yeah.

PARKER: You can almost tell when you go in; you hear the audience reaction. I know Weslie and I went to one the other day that was hyped--I can't remember the name of it--but nobody laughed. It was supposed to be a comedy. We walked out saying, "I don't think it's going to make it," you know, and it didn't. So you're right though. You've got to have a good product.

SARGENT: Well, okay, just a couple of questions-- First one is, did you ever choose an account or deny an account on the

basis of its product, then, if that was so essential to your success?

PARKER: I didn't take the [E. and J.] Gallo [Winery] account because I didn't like Ernest [Gallo] and he didn't-- Well, he liked me; he liked my advertising. He dragged me out to Modesto [California] and then proceeded to give me all this bullshit, and I said to him, "Ernest"--I liked Julio [Gallo], who's the grower. They had Y&R; Young and Rubicam was their main agency, but he liked all the stuff I was doing for our many clients. We had Allstate [Corporation]. We had a lot of American accounts, too: A&W Root Beer [Company]-- But Ernest did not believe in advertising. My creative director and my guys that I brought up, they said, "Jesus, boss, I've never seen you yell and scream at a client like that who's going to give you \$20 million." And I just told him-- I said, "Ernest, you've created a great product brand here, and you've got"--He had exceptionally good distribution.

I mean, everywhere you went you could buy a jug or gallon of wine. I don't care where the hell it was. You could go in a market, a 7-Eleven or whatever, there was Gallo wine.

I said, "You force a distribution; I don't know if you did it with baseball bats and knees or however you did, you've got it." And that's that business--you know--it is a tough business. But I said, "You yourself and the executive vice

president were trying to romance me." Brought me to his house and all that stuff before we got together with Ernest, because he knew what sort of a nonbeliever Ernest was. But it just came back to me that he didn't believe in advertising, that anything that I did, he was going to be a pain in the ass.

See, I believe in the force of advertising, and I've seen it happen, I really have. The first ad we did on the Z car, that we could get out, was an insert in *Reader's Digest*.

In fact, I even helped paste the damn thing up because we had to get it back to *Reader's Digest* to tip it in, and then whatever region it's in, we'd tip in the dealer's name. So we knew that anyone who came into the dealership had to come in from this ad. And I don't know what the circulation of *Reader's Digest* was then, but it was probably 20,000,000. But, I mean, people just poured into the dealerships. The next ad I did was sort of weird--that moon shot; what was it--? It was an *Apollo* shot that I bought on a network radio, without telling the client, because I didn't have a chance to-- It was one where my New York buyer got an opening and for \$90,000--That was the one where television somehow couldn't get it, and the only thing that was broadcasting this thing was the media buy that I had bought that had all the Z--

SARGENT: The moonshot in '69?

PARKER: Yeah, when we introduced the Z, it was in the sixties.

I can't remember the exact year, but it was written up as one of the great media buys of our time, and it was just something I knew was going to work. I didn't know there were going to be problems with the shot. But everybody knew about it and it just brought a ton of traffic into the dealerships.

And that's how we know these things. I could research it back. You've got to remember these were thirty and forty years ago, Al. And the client was pissed, said I had to pay for it, and I said, "Oh fuck you, Mayf [Mayfield Marshall].

You know, if you want me to pay for it, I'll pay for it, but you wait and see." And he waited and saw and then he took credit for it, which is fine, because that's what clients do, right?

SARGENT: There you go. Good stuff. I'm losing my train of thought.

PARKER: I guess what I'm saying is sometimes you have to do things--and I don't know if an agency can do what I did at that time--but if you see an opportunity and you don't have a chance to check with a client or whatever, you go for it. And you bite the bullet and you make it happen.

SARGENT: And it's in the client's best interest and hopefully they agree with you.

PARKER: Well, sure it is. So Mayf, I really have to say, was a good man, and he himself was a very creative guy, but he's

like any other human being. He hated to not have his stamp of approval on something. It was then I said, "Shit, I didn't have time, Mayf. I had like ten seconds. There was a window opened up. I took it. Next thing you know, we're on the air."

SARGENT: And Mayf was your media buyer in New York or--?

PARKER: No, he was the ad manager of Nissan. The guy we had in New York was a guy that I stole from J. Walter Thompson [Company], and he was a top network strategist. Like anything else in life, you've got to have a specialist in those areas. I mean we couldn't sit out here in L.A. and figure out what's going on in New York. And I had a guy just sitting there who knew everybody. You know, knew what was going on with NBC [National Broadcasting Company], CBS [Broadcasting], ABC [American Broadcasting Company], and all that kind of stuff, and knew all the guys. I mean, knew the presidents of the networks.

SARGENT: Following up on the question from five minutes ago or so, how did you--? Again, we talked about products and [their] importance to advertising. What about products? If a product was so important, how did your team evaluate a product to make sure that it was really good?

PARKER: Well, we did a lot of work on that. And we put in a lot of recommendations to clients, and particularly with packaged goods: repackaging, renaming. With cars, of course, it takes so long to build a car, you're sort of stuck. The

thing we tried to do is we tried to give them color ideas.

Like I say, we had a big market research thing, so our guys would prepare-- In fact, I probably could find some of the giant things we did for clients. Initially Nissans were just white with blue upholstery--you probably don't remember those days--but we got them into colors and matching the upholstery with the exterior colors, and also we would do special cars like the Eddie Bauer kind of things for [Ford] Explorers. We would come in with those things. I had Peter Maxx do a car. Peter Maxx is an artist and a friend of mine. So we had a Peter Maxx car for the young kids, kind of thing. It was sort of--with its splashes-- So we had special American style cars. Well, one of the classic stories really, and this is a true, true story. The name of the Z car was the Fair Lady.

Now, the reason it was named the Fair Lady is the Japanese love of *My Fair Lady*. They loved the show. It had appeal to the Japanese, so they thought it would be dandy to name this hot rod, supposedly high-test run car the Fair Lady. So the first one I got over had Fair Lady on it. I said to Katayama, "That is going to go." I looked on the literature and they had "Z240." I said, "I'm going to call it the Z car." And I said, "Americans buy Mustangs. They drive Durangos. You like cars, but not Fair Ladies." I mean, you

race up to your girlfriend and say, "Here's my new Fair Lady," and she's going to go, "God, who did I marry?" or "Who is this guy?" So, anyway, I ripped all the metal off that said "Fair Lady" and put "Z."

SARGENT: And how did you choose "Z"? Was there, like, market research, focus groups, or was it just--?

PARKER: Well, I just loved it. I just liked the thing. Another thing, I hired the head creative director from Doyle Dane Bernbach [Advertising]. They did the Volkswagen stuff. The trouble with him is [in the] afternoon, when he had his cocktails, he wasn't worth anything. In the morning he was fine. In the afternoon, he was gone. So, great guy, though, brilliant. But he liked his martinis after one o' clock. So I just let him do it.

SARGENT: Well, get a few good hours out of him--

PARKER: You got it. I think naming products is important: packaging, the whole thing. Cars-- You're stuck with the mechanical problems that occur that none of us can anticipate. They're always having recalls, as you know. I have a new '99 Rolls [Rolls-Royce] out there.

SARGENT: Not bad.

PARKER: I like Rolls. I've had them for years. But an agency can't save a bad product.

SARGENT: Right.



PARKER: Yeah, there's nothing you can do about it.

SARGENT: How much was it sort of--when you were doing these things--? Trying to make your suggestions, were you really methodical about it? Were there focus groups? Market research?

PARKER: Well, we used everything. Sure, we had focus groups. Well, initially, because we didn't have the staff, it was cunning creativity. I have a good sense of things, and my guys knew that, so they would thrash away working on stuff, and then they'd bring them into me and I would say, "That one," and then they'd go with that one. I could just sort of tell which one was going to work. And I wasn't right one hundred percent of the time, but I was right most of the time, and they knew that. The trouble, as I mentioned to you previously, if you overanalyze something you end up sometimes with something very mediocre. And that's what I see in a lot of the advertising now. It is so beaten up with focus groups and this and that that what comes out is blah and bland and not very exceptional. And you only have a few seconds to catch the consumer's eye or attention, and if you don't have something great, you're not going to get them.

SARGENT: So you should just throw focus groups and market research out the window?

PARKER: No, I don't think you can, but I think you need to

go with your own gut at the end. But, you know, the main thing you need, Al, is a creative client with some balls, and that's where Katayama came through, because Katayama in his own little way was a madman. He's an artist himself, and what Nissan had done at one time-- He did their ad work.

He was very encouraging to our staff, because if he liked something he'd leap up and cheer and our guys would feel warm and fuzzy all over. But, no, you can't give up-- If anybody believed in research, it was me. I just know that if you overanalyze something and over focus group it-- And who are these focus groups? I mean, they're just a bunch of numbers you picked out, you know? Women thirty-five to forty or fifty or whatever. You know what I mean? What do they know? Of course, the thing we always said: "We're all highly educated; we're probably richer than who we're selling to, so if we like the ad, it's probably no good. We ought to use another one." The only thing we have is a lot of experience in what works and what doesn't.

SARGENT: Yeah, it's funny-- You talk about hidden markets-- There's a two-year-old free E-mail service called Hotmail, and the founder and CEO [chief executive officer] of that company was down to speak last spring, Sabeer Bhatia. He said that one of their sort of hidden markets was teenage girls in India who love the service--it's free, so it's

affordable--and E-mail back and forth, gossip and talk about their boyfriends. And what focus group could have covered that?

PARKER: Well, my teenage granddaughter just loves the Spice Girls. I mean, her whole room is posters of the Spice Girls.

She's got albums on everything that's out on the Spice Girls and it's totally-- But I guess the only thing you worry about-- That's why the boutiques now are doing good, because they don't have to put up with a lot of that stuff. They can just blow their minds and come up with some really creative stuff, because there's just hundreds of thousands of advertising things out, hitting us every day in a way. I mean, there's billboards, there's TV, radio-- So what catches your attention?

And to be ignored in advertising is the worst thing and the most expensive thing in the world. It's terrible; you don't want that to happen. So you've got to come up with something that's going to grab the person's attention. We did an ad for Allstate when we used the "good hands" thing, because they had spent a lot of money advertising that. We did their savings and loan--introduced it here in the West and stuff like that. We just had an egg that fell off-- This was done by our creative director--[from] Doyle Dane [Bernbach], in the morning, before he got into the martinis, but it was a thirty-second commercial, and it just had an egg that fell

off, and it said something about "Your savings--" I can't even remember the line. This is forty years ago we did it.

And we just had a hand just come in-- [It] looked like the egg was going to smash, and the hand just came in and caught that egg, and just said, "You're in good hands with Allstate."

And it was so simple. And I was there with the shoot, and it won best commercial, best this and this. But it caught your attention. We didn't come out and say, "boom, boom"--all this stuff you hear in financial advertising--but it got over the message: "It's a safe place to put your money."

SARGENT: What are some of your favorite ads from your agencies and then from other agencies?

PARKER: Hell, that's a tough question. Again, you got to remember I stopped doing ads at the end of the seventies so it's been twenty years since I've had ads out. Some of the fun ones we did, and we won about fifteen to twenty Clios-- The Clio [Award] is like an Academy Award thing in our business, and we've won them for TV and print and radio and everything.

And you wouldn't remember it, but there was a time when there was a gas shortage and gas prices were getting really tough.

We came out with our B210 and the damn thing got great gas mileage. So we're sitting there trying to beat our brains, coming up with a simple campaign, and I don't know who said it--there's ten people that have taken credit for it--but

we said, "Datsun saves." So I said, "Stop, don't massage it anymore. You got it. This is it." Don't need to beat on it. Now, how are we going to do it? Well, I sent one of my guys around the country. And I said, "Find me people who have had Datsuns--I mean real, true, living people." We got them from the dealers' names: we got a priest; we got a mayor of a town; we got a lady with big huge hair. You know, we got all kinds of characters.

But, it was test-- The whole campaign was not testimonial, but we got these great, real, true testimonials on how their Datsuns saved for them and in their own words how it worked for them, I mean, how great Datsun was. And it just took off like gangbusters. And then we sent the car from L.A. to Kennebunkport, Maine. And I think Datsun, too, was rated as the best gas mileage of any car, but I forget how much it cost to go to Kennebunkport--

SARGENT: Oh, you actually--?

PARKER: Yeah, we actually did it. And it cost like--I don't know--\$60, \$70 or something to drive the damn thing back there.

Got forty some miles to the gallon. I forgot what I was going to say. Of course gas prices were a lot cheaper then, but-- So that campaign was a lot of fun, and then we invited these people to our meetings and they got a chance to meet the regional managers and the president, me-- But it was a fun campaign

with real people and it just caught on like gangbusters and we got the best campaign of the year of all campaigns in the advertising agency business. And it worked like gangbusters.

We did do a little preventative research. I sent a team to check the Bible Belt to make sure they weren't going to be pissed off that we were saying, "Datsun saves."

SARGENT: Oh, yeah.

PARKER: Well, that's how paranoid you get in our business.

You don't want to have Iowa, Nebraska, and Illinois all saying, "God, you're taking the Lord's words and--"

SARGENT: Who would even have thought--?

PARKER: Well, you've got to think of those things, Al. So they cleared us. They said, "We've got a car that saves you money when you buy and saves you money when you drive, so that's fine." So we got it through that.

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SARGENT: Okay, so we were just talking about favorite ads and things like that.

PARKER: Well, another one we did, not to beat up on Mayf [Mayfield Marshall], was "Drive a Datsun, Plant a Tree" and again we were fortunate enough-- We used Ansel Adams as our photographer; he had never done a commercial thing in his life, but this was ecology time. Again, anything you do in life, I think, Al, timing is the most important thing, probably.

In real estate, timing is important, in so many things. So there was the ecology thing. We all of a sudden discovered that all of our parks were turning brown and our cities were turning brown and so we came out with a campaign that probably dollar per dollar was the most effective advertising campaign I've ever seen in my life, and not because we did it, just because we got lucky and the timing was great. We got Ansel Adams; I got my old buddy Steve Allen, who I had down here a few weeks ago giving a talk to a charity of mine, and several other celebrities involved in it, and what we did-- Very simple.

If you drove a Datsun, we, Nissan [Motor Corporation], would plant a tree in a forest with your name on it. The actual PR [public relations] during that time was horrendous. Mayor [John V.] Lindsay in New York [City] planted

trees in Central Park for Nissan. Whole companies of soldiers, Fort Ord, would go into dealerships and drive Nissan cars and we'd go plant trees. It was on NBC [National Broadcasting Company], ABC [American Broadcasting Company], and you know it was just-- The PR was probably worth five times what the actual paid media we did on "Drive a Datsun, Plant a Tree" [was worth]. So the fact that this car company was refurbishing the forests and parks in the U.S.-- Now, what did this do? Sold a hell of a lot of cars, did a great job. We won the best campaign of the year, pissed Detroit off a lot, because we were a Jap[anese] car and we were doing a good thing for the country. So I called back and said, "I'm going to renew the campaign." I got a call from Washington saying, "No, you're not. Senator what's-his-name and the Interior Department will not let you guys do this again," because they had powerful-- Chevy [Chevrolet Motor Division of General Motors Corporation] got in and bitched like shit. Well, a lot of power in Washington, a lot of money, so they whacked us down so we couldn't renew it; they wouldn't let us do it.

SARGENT: That's odd.

PARKER: Yeah, it is odd, but it pissed them off a lot.

SARGENT: A restraint of trade--?

PARKER: Well, yeah, but you don't want to get into a, pardon the expression, a pissing match with General



Motors.

SARGENT: No, you don't.

PARKER: Yeah, so, anyway, we pulled back.

SARGENT: That's interesting, because one thing, again, relating advertising to the Internet, we have these incredible ways, like revenues for electronic commerce, and nobody's really doing anything to have, like, an automatic donation to the charity of your choice. And it's possible to pull up a web page, buy a-- What is it when you buy a book from Amazon.com--?

PARKER: That's an amazing company.

SARGENT: But why don't they have it so that when you buy a book you donate to the charity of your choice? It doesn't have to be just one. I mean, you could have a list of all the charities and conceivably electronically zap the money into any one you want. And, who knows, your idea of this thing that you did during the seventies could get almost get resurrected on the Internet as sort of a common thing.

PARKER: Sure, right, that's a great idea, Al, I love it. Yeah, do it.

SARGENT: Well, it's in the business plan.

PARKER: You got it. The thing is to just do it. You just got to try it, go for it.

SARGENT: It's in our prototype, which is live on the Net. And it's funny, I was showing this to one of our potential

suppliers, GTE [General Telephone Corporation], and I said, "Yeah, you can make a donation to someone you like, and the account manager for GTE said, "Hmm," like it struck a chord.

PARKER: Not a bad idea. It's amazing-- Amazon.com is worth more than Barnes and Noble.

SARGENT: Yeah, it is.

PARKER: It's worth, like, \$8 billion or something like--

SARGENT: Barnes and Noble and more than Borders [Group], I think. It's incredible. Their margins are--

PARKER: Well, they're probably slim, but the stock is doing well.

SARGENT: Their gross profit margins are actually better than--

PARKER: Barnes and Noble, right. Books are not a high-profit margin.

SARGENT: Well, they're growing like gangbusters and they're just, you know, ten, fifty-- Which is massive. So anyway, back to you, John.

PARKER: Where are we? Another thing I've got to tell you:

my grandfather was an entrepreneur; my dad was an entrepreneur; my dad's brother was an entrepreneur. I think our whole family-- I mean, we'd sit and talk about businesses that we started.

My grandfather owned real estate all over Southern California; I just wish we would have kept it, so, you know, I'd probably just be sitting there collecting rent checks. But, anyway,

they sold, so that's okay. I guess I was brought up with smart people, motivated people that were doers and were entrepreneurs. I mean, the Parker ranch was an entrepreneurial thing; they raised horses, thousands of horses, and sold them.

My dad had his own drugstore and pharmacy, and so on like that--Toluca Lake-- and grandfather was really at one time one of the largest real estate brokerage firms in the area.

Yeah, wealthy guy. He owned thousands of acres of orange groves all over the place. We would go up there with our little cartons and pick oranges sometimes on Sundays.

SARGENT: Wow, that's awesome.

PARKER: Yeah, it was awesome. It was really nice. So I guess what I'm saying is I was brought up as an entrepreneur. I never thought of being anything else but owning my own business.

SARGENT: And after nine years, you know, working for others in the advertising field, I mean, did you just kind of say, "Well, okay, we've done this for nine years. We feel we know this business inside and out. Let's--we know enough--do it," or was it just--?

PARKER: You mean to start my own business? Well, I just--Well, I had actually worked-- Let's see, how many years did I work?

Yeah, I guess you're right, it was probably close to nine years, yeah. It's funny; you go back-- Thank God you got somebody

like you keeping me pinned down here, but, yeah, I had about nine years' experience. Well, I just think I always wanted to start my own agency. You know, if timing was ever the worst it was probably the worst thing. Iris [Landry Parker] was as big as this with [John] Brian [Parker] in her. She was a schoolteacher but, you know, having a little nipper she sure couldn't go back to teaching school, and all we had in the bank was \$2,000.

SARGENT: Wow, so your life--

PARKER: That was it, that was it. So I had enough money to-- I had enough income from these little industrial accounts to keep the wolf from the door, and then good old Nissan came in within the year. And it started slow, but it kept me busy, and since I did everything, it was very profitable percentage-wise. You know, if we did, say, only \$20,000 a month, I would take home probably \$10,000, because my office wasn't any bigger than this, and I had a freelance art director. And my first secretary, I hired her two days a week and then three days a week and then finally five days a week, and she stayed with me-- I've had like three secretaries in the forty years I've had my businesses pretty much, so-- But I've always wanted to be an entrepreneur, and I think I just decided I wanted to do it, and I just came home and told Iris, who was very supportive, and she said, "Go for it. Why

not?" I had a card table in our bedroom, initially, for the first month or so until I found a little office close by, and then just charged along.

SARGENT: I guess it would be fair to say that when you started you already knew about Nissan.

PARKER: No, no, I didn't. I'd never heard of Datsun. I got a phone call the next year from *Automotive News*, and they knew me from the other advertising associations, and they just said, "John, we know you're a good writer--" And they, basically, were sort of self-serving: they needed an ad for their automotive almanac, and they said that these guys had some strange agency guy and he went to Mexico for six months and they don't have anybody. [They] said go down and meet him and I went down and we got along instantly. And I wrote an ad and they loved the ad, and from then on we did it.

Fortunately, you know, it is interesting that--I'm sure it's probably true today--there are a lot of people that want you to succeed, and I think that nobody's successful unless a lot of people want you to be successful. I've always tried to treat people right and with respect no matter what position they're in, and I

think it's amazing the amount of support you can get from people.

Magazines, a lot of magazines, even *Life* and *Time* and *Popular Mechanics*, would take my insertion orders, which are orders

for advertising, even though I had no credit with them, and if they looked at my bank account, it was probably \$680, and I was footing out \$20,000 worth of media buys, you know. So they took me on my reputation and I appreciate that. I think your reputation is who you are and what you are and that you honor your friends and your business associates and pay your bills.

SARGENT: That's good. All right, so how large a firm did you work for, how large was the--?

PARKER: Well, the first one I worked for, BBDO [Worldwide], at that time, I think, was probably one of the top five agencies in the country. Largest at that time, I think, was J. Walter Thompson [Company], and Young and Rubicam and then probably BBDO, so they were huge. Major accounts were Campbell Soup [Company] and, well, in the West, at that time, Rexall was our largest western-based account.

SARGENT: Just give us an idea-- BBDO is still huge, prominent, but back then can you give me an idea of how many employees might have been--?

PARKER: In BBDO, totally? Probably, I'm guessing, maybe two thousand or so, something like that, because we had a huge New York office. We did have American Brands; we had Lucky Strike.

SARGENT: So pretty big--?

PARKER: Yeah, I did the Hit Parade cigarette campaign:

"Tobacco so fine, so rich, so rare, your taste can't tell the filters are there" was mine. How's that? Many years ago.

SARGENT: That's cool.

PARKER: Then I went with a small agency, the Larry Raymond Company, and was with them a few years, and then in '59 started my own.

SARGENT: And how big was Larry Raymond?

PARKER: Larry Raymond was just four people, which was cool, that was great, yeah. So you can be an account executive, a media buyer-- Hell, I pasted up ads. You did it all. And I learned a lot from him. He was an old-time ad man, and it was fun.

SARGENT: That's good. So that would have given you a lot of information on the operations of an advertising agency.

PARKER: Sure, right, and even the finances of it.

SARGENT: Now, in the firm you left, Larry Raymond, who did you work most closely with? Was it Larry?

PARKER: Yeah, right, the owner, sure.

SARGENT: And he taught you, like you mentioned, he taught you, very much a mentor to you?

PARKER: Yeah, he was, and he wasn't all upset that I went off on my own, really. You know, he sort of figured I probably would. So, yeah, it was a mutual-- And we stayed friends for years afterwards.

SARGENT: That's great. So he remained a mentor to you?

PARKER: Sure, he'd come over; we'd have lunch. I don't ever try to burn a bridge, I think, because what goes around comes around, and I think the same thing is true in the employees, secretaries of clients and things like that. In fact, [Yutaka] Katayama's secretary, I'm still in contact with. We're doing stuff together, you know. And they can either kill you or help you, because they have the eye and the ear of the boss, and if they don't like you they can make you look bad. So I have a tendency to spoil them a little bit, bring them flowers, and take them out to lunch and stuff like that. I do it, number one, because I like to do it; I do it, number two, because I like people; and number three, it helps you a lot in your business.

SARGENT: Well, going back to Larry, would you call him an entrepreneur because he had his own company?

PARKER: Oh, yeah, definitely. And I think his abilities were limited more to smaller, little, consumer-industrial-- He had, like, a chain of tailors and, you know, he was more of a retail, smaller agency kind of thing, and he was very happy doing that and he made a good living. He had a nice house up in Viewpark, didn't have any children--so in a way I was sort of like a son to him--had a pretty, nice wife. But I think he was happy just doing his thing. And it was



fine. I learned a lot from him.

SARGENT: That's good. Outside of a desire to become an entrepreneur, what sort of push factors led you to end your employment with him? You know, maybe your desire to really hit it big or make a lot of money or--?

PARKER: You know, money has never been a big motivator with me. I like to accomplish things and do things and I still do, and I like projects and seeing them through to the end, and I like coming up with new ideas. So money, to me, was serendipity. And also working for yourself, to me, is a lot more fun, and it's a lot less stressful, than working for somebody else, because you don't have to figure out what the other person-- I think I was more stressed, not that it was stress, because I'm not a stressful kind of guy, but I think I--there is stress as a factor--would be more stressed working for somebody than working for myself. So it may sound weird, but it's very true.

SARGENT: Well, you always know what the boss wants--

PARKER: Well, I always know what the boss wants and you're sort of, you know, in charge of your own destiny. I mean, you can either do it or not do it.

SARGENT: And the lack of resources didn't cause stress?

PARKER: You know, I never even thought about it, and I never borrowed a nickel, never even went to the bank. Yeah, so

that was sort of weird. I'll give you a cute example--talking about people helping me. I had my own agency for about four years and I had gotten the Datsun account and I had gotten Bridgestone [Corporation], I think then too, in Palos Verdes Peninsula Center, the largest building in that whole area.

It was two four-story buildings. Corwin Eberting was the architect. Well, we won a lot of awards. It was in architectural magazines; it was a steel building with a ceiling glass with these beautiful tiles and we had waterfalls trickling down. I got a loan and the loan guy called me up and he said, "John, I know you're doing great and you got all these great accounts, but do you realize you have a negative net worth?"

And I said, "Darn, you're kidding me. I've got a negative net worth" and I knew I did. He said, "But I'm giving you a loan anyway, so not to worry" So I did borrow to put the building up, and then we just paid it off. But I had a lot of people help me, you know, because they were betting on me in the future.

SARGENT: That's good. What sources of information for deciding what options were available before striking out on your own? I guess, in other words, were you--?

PARKER: Well, you mean, could I have become a--? BBDO wanted me to go back to New York and become a vice president, so I did have an option, sure. But, you know, I'm sure I probably

would have ended up maybe a senior executive at BBDO or Y&R [Young and Rubicam] or one of those things--I could have done that; I had the skills to do it--but to me it's more fun working for yourself. See, I always thought that, so I'd learned it from my grandfather and my dad and everyone else. But money wasn't the motivator, really. The money was serendipity, so it just occurred.

SARGENT: Yeah, that's great, do what you love. So it was a very natural transition to what you do. It's not like you--

PARKER: Yeah, it wasn't a big deal, and like you say, did I worry about money? No. And did Iris worry about money? No. And did she support me? Yes, a lot. And did the clients love her? Yes. She was a great cook and entertainer, and we put on a lot of fun parties for clients and stuff like that, and she loved to buy presents and wrap them and do all that kind of stuff. And, in fact, we got a wholesale license, and we went to the gift shows in January and July and we'd buy all these gifts for the district managers at Nissan and the regional managers and all the Nissan people, and Iris would start, God, in September, getting all this stuff ready.

And it got so if the guy in Atlanta didn't get his gift from Parker he'd be on the phone: "Where's Iris's gift?" you know, kind of thing. But, I mean, she supported me in so many ways and she was very close to Katayama. I mean, he just thought

she was wonderful and they had a lot in common. They were both very smart and highly educated. She was a Ph.D.

SARGENT: Oh really, Ph.D. What was her degree in?

PARKER: Psychology. And a teacher.

SARGENT: And a teacher. A teacher of which grade level?

PARKER: She taught, really, in the grammar school level, and then she got her Ph.D. later in life--got her master's and then her Ph.D.--and then she did-- She seemed to love medical things and she did research for the head of surgery at Scripps Clinic. The phone would ring and "Iris there?"

"Hi, doctor." And he says, "Can you research a liver thing for me? I'm doing an operation tomorrow and I need to know something." So Iris would go tearing down to the library and get all the stuff together for him.

SARGENT: Wow, that's great.

So "process of narrowing the options," I think we covered that, you know. Same thing with number seventeen. Eighteen is an interesting question: Having made the decision to enter a particular area of business, i.e., advertising, did the lack of knowledge in certain areas lead to that particular area? In other words, do you think you went into advertising because you didn't know you could do better or make it more accomplished in other areas or--?

PARKER: Yeah, I think I understand the question, but I think

I could have been good in sales. I think I tend to be in areas where I have people contact. My CPA [certified public accountant] and I and our wives went to the [San Diego] Padres game--But I wouldn't want to have his job, and yet he's brilliant.

He's a UCLA grad--Clay [J. Clayburn] La Force was one of his teachers, as a matter of fact--and one of the most brilliant CPA's. He's done a fabulous job for me, but I would not want to be a CPA. I probably could pass the test, but I would want to be in something where I was out selling or working with people or organizations or something like that. But I still enjoy more working for myself; really, it's more fun [for] me. And, like I say, I think that's what entrepreneurship is about. It's about [how] you like to do things yourself and you don't worry about it not happening. I mean, you don't fear failure; you cannot fear failure.

SARGENT: Right, question one on your exam.

PARKER: Right, yeah. If you fear failure, you know, it doesn't fly if you're sitting there worrying too much. I don't worry about anything. I really don't, you know, it just doesn't enter my noggin. So just not a worrier.

SARGENT: Well, it sounded like you didn't, you know, think about it too much, you just did it. But look at question twenty-one here. What factors from a business and personal standpoint might have prevented you?

PARKER: Well, I think that economic-wise there are certain things that are beyond your control. It's just like talking to friends of mine who worry about the stock market going down, and I always use the one term to them, "Remember you are an investor." Now, the stock-- I own about probably eighty or ninety stocks. And they start from a big position in Dell [Computer Corporation], Microsoft [Corporation], Intel [Corporation], General Electric [Company], Merck [and Company], you know. These things melted down when the market went down in the last month. The companies haven't changed. They still got, I mean, the greatest management. General Electric is one of the best-managed companies, and yet it's popped down almost 20 percent, but the company is doing great. So you just let all this stuff go on--the Russian problem, the Japanese banking and economic problems go--and eventually stocks will do what they have done historically, probably earn somewhere between 10 and 15 percent a year. So you just hang in there. As long as you

don't sell you don't lose anything, so if you bought right and the right things, then what's to worry about? Unless you need the money, which I don't, so--

SARGENT: Good stuff. Now, how long did you stick with your own ad agency, before moving on into--?

PARKER: My own agency? Well, I started it in '59 and then

really sort of spun it up in about '79, so twenty years. And it was sort of, you know-- As I told you before, the agency business has changed a lot, it's no longer what it was. And, first of all, you couldn't do it nowadays and, second of all, that's where Katayama came in, because he would allow you to do a lot of stuff and he supported you in it, and he was, in his own way, a brilliant leader, because he got the most out of you. I wrote all his speeches and then he never gave them, and I said, "Katayama, why do you want me to do your speeches?" He says, "I just wanted to see what you thought I should say." So I said, "Okay, that's cool." But he usually would interject most of the things that I put in the speech, but he'd give it entirely differently, which he should, he should use his own style. And you couldn't have the fun that we had-- I mean, we put on some pretty spectacular shows. We had some in [Las] Vegas that were just awesome.

SARGENT: Car shows or--?

PARKER: Yeah, introducing new model shows. But, then, we'd just go out and play golf and party and have a great time together. You know, we had a lot of fun, we really did, but I don't think, like I say, the agency business nowadays-- After Parker Advertising was spun off and sold, and dismantled in a way-- Of course I owned the building, which I had built for a song, and made millions on that. But you couldn't do

the things that you can do now, or now you can't do what we did. My people tell me, "You got out at the right time," and I don't know whether they're right or wrong, but I know it was right for me. It was just time to move on, twenty years, and plus I was in the business before. So you'd say about almost thirty years. That's a long time for anything, don't you think?

SARGENT: It's good to move on to new things. I guess two questions-- The first one is, where is Katayama now? Is he in Japan?

PARKER: Right now he's going to be here in California. He's back in Detroit; he lives in Tokyo. The Victorian mansion we had parties at-- I mean, we had the mayor, supervisors, governors, you name it, everybody there, at this Victorian mansion. But once a year all the Parker people who were now working for Foote, Cone, and Belding [Worldwide] and J. Walter [Thompson] and Saatchi and Saatchi [Worldwide] and all that stuff, they said they still work for me, but at different locations. So we had a Parker alumni club, and I had them all down and we put on a blast for them every year, and they'd come. We'd bus them down. They'd park their cars in a certain area and we'd have the buses pick up. We did that for close to ten years, and then it just sort of started petering out, as things will do like that. But



we'd have a hundred or so people tooling down--

SARGENT: Yeah, that's awesome.

PARKER: Isn't that fun? Yeah, and I still meet some of them up at the Ritz restaurant up in Fashion Island.

SARGENT: In Newport Beach?

PARKER: Yeah, in fact, I just had lunch with April Lou Weir, who was my media buyer of many years, a top TV and radio buyer, the other day. We still get together.

SARGENT: Good stuff.

PARKER: Yeah, it is good stuff. The thing I miss with Parker is the people, because they were fun.

SARGENT: Yeah, it seems like really a family, tight-knit.

PARKER: Yeah, right. Our Halloween party, I got to tell you, we had a conference room that was probably thirty by sixty feet and we had stage and full projection just like a movie studio. We had thirty-five millimeter, sixteen millimeter [films]. We could put on a show that would blow you right out of the room. But we had parties in there and we had costume parties, and you get art directors and writers and creative people, and they came up with costumes-- You couldn't guess who the hell was in that costume. Every year we had a Halloween party, and they were awesome, I mean, they were really fabulous. One guy came as a Christmas tree on roller skates.

SARGENT: A Christmas tree on roller skates? Whoa.

PARKER: I know, it was weird. We did some crazy stuff.

SARGENT: Only in the advertising industry.

PARKER: You got it, there you go. Fun people.

SARGENT: That's great. Now, let's see. What was the next step after that?

PARKER: Well, I bought KXYX, bought the Victorian mansion, of which I gave you the brochure. At the same time I had a contractor's license and I owned a lot of real estate up in L.A. and was building buildings. I had a million square feet of real estate, so I mean this was not as big as Pardee [Construction Company] but I was a pretty good-size real estate guy. My guy was a German, Kurt Fengler, and he was both an architect and a contractor. And then we did some buildings down here, some high-rise stuff, and we were busy doing that.

I owned a furniture manufacturing company which made reclining chairs, Easy-Rest, so we had those, and I owned

the buildings. We had designed the buildings and built them.

Right now I've got a building out with Corky MacMillan, who's a big builder down here in San Diego. We're putting up a couple hundred thousand square foot building. And then the guy I was talking to, Paul Langart, has another building over in the Chino area we're putting up. So we had those, and then

I had a Japanese television station.

SARGENT: In Japan?

PARKER: No, in L.A.

SARGENT: Oh, okay, Japanese language.

PARKER: Sold that recently. And so we sort of had our little irons in the fire. It was fun.

SARGENT: Yeah, now, going back, though-- You're running Parker Advertising and you decide to go out somewhere else. I guess the question is, when did you make that decision to--?

PARKER: Diversify? Well, you know, my attitude is, first of all, I'm an entrepreneur, so as my son says, "You just go do it Dad, right?" He says, "Just tell my dad. He'll probably do it." Now, this is just a personal thing, it's not a personal service business, which is-- Advertising agency business is basically the clients. Okay, I'll tell you one cute story, and people probably wouldn't believe this, but it's very true.

Nissan, even though they helped me get Bridgestone and Hitachi and Kawasaki [Heavy Industries] and Suntory and major Japanese--and so, no, would not acknowledge the fact that I had other accounts. They wanted a hundred percent of me. One Tokyo graduate, vice president, came over and wanted to sign a ten-year non-cancelable contract, where I couldn't get out of it, and I said, "I'm not going to sign that." I said, "I

may want to quit and go travel." But Chris Korkos, who was my secretary for basically the twenty years of Parker Advertising, would always say, "Well, John's down the hall," while I may be out at Redken [5th Avenue NYC] cosmetics or I may be over at Allstate [Corporation], or someplace, and she'd call me and say, "Well, call Mr. Katayama or call Ray Hoen" or something like that.

So I guess what I'm saying is the business, even though we were doing \$100 million or whatever a year, is still dependent, a lot of times, on one or two or three or four people, and if those people lose it or get sick or are out of the picture, then what do you do with it? So I always thought it would be nice-- And I was brought up in real estate. My grandfather was a real estate man, and I saw how well he did and how much fun he had, and so I leaned towards real estate immediately, and it's done well. Corky and I just bought thirteen beautiful industrial lots over in the Escondido area and a beautiful, beautiful park all curbed with eucalyptus and pine trees, and we had a two-year program to sell it out. We sold it out in six months, both pocketed \$2 or \$3 million and walked away with a smile. It was fun. So I always thought I should diversify, in businesses where it's not just totally dependent on me. Now, my son has worked for me really for about eighteen years. Now he's really more on his own, because he's doing computer

service stuff, you know. He handles computers for radio and T.V. stations and stuff like. But he worked with me on Easy-Rest, on a lot of our construction and stuff like that. But I just wanted to diversify out of areas where I was responsible for it. It didn't rely on me being there.

SARGENT: So you could institutionalize the business better?

PARKER: Yeah, like the KYXY. I had a manager running it, and certainly we would meet, and I'm sort of a believer in Monday morning meetings! You get together and keep them short and got anything that's worrying you or play problems or whatever-- And then we're out of there. But KYXY was an asset worth millions of dollars as the radio business grew and so on like that. So I could be literally out of the picture and still the thing would run. All I needed to do was bring in a manager if one wasn't doing a good job.

SARGENT: So KYXY was the first one that you went to?

PARKER: Well, I had started Easy-Rest with a partner, a furniture guy. And then I was a partner in the Japanese programming TV company; I only owned 35 percent of that. I had a couple other, mainly Japanese-- But the real estate was all me, and owning the properties--

SARGENT: And you did the real estate as well when you were doing Parker Advertising?

PARKER: Yeah, oh sure.

SARGENT: Okay, so you started to diversify.

PARKER: Immediately, yeah, almost immediately we started putting up buildings, in the sixties. Oh, and then, I forgot, one of the biggest, Torrance Nissan, which was one of the largest Nissan agencies in the country. And then I had a Mercedes[-Benz], Volvo [Car Corporation], and Mazda [Motor Corporation] dealership.

Then we owned the land, too, on these things. And then we sold to [H. Wayne] Huizenga for \$170 million.

SARGENT: He has the AutoNation that he's started to do real well [with] across the country.

PARKER: But I had the dealerships in the early sixties, '65.

SARGENT: So doing the math here, I guess, it would have been six years or so before you started to diversify with car dealerships.

PARKER: Well, in the car agency, yeah. But real estate we started almost immediately.

SARGENT: Oh really, immediately after starting Parker Advertising?

PARKER: We put up a beautiful complex in the Harbor City area off of Western Boulevard.

SARGENT: Well, how did you finance?

PARKER: Well, you know, the way we did it, I'll tell you, Al, you'd be amazed. We did it all with cash. The agency was pouring out some pretty decent money. We were netting like \$6 to \$8

million, and I owned a hundred percent of it--I had to pay some horrendous taxes some years. But we operated like an elite team, in a way. We had the best people, and we were always rated as the top agency in efficiency because we had less employees per million in billing. The normal agency had eight per million in billing. I think we had three, but we paid our people more and we had better people, and we did better advertising.

SARGENT: So you came out in the end. Well, with that, looks like it's time to--

PARKER: Time to bag it?

SARGENT: Time to wrap it on up.

PARKER: Okay. It's like being a doctor or a lawyer. If you get tired of it-- I know a lot of lawyer buddies of mine-- One of my partners is Lew [Lewis] Silverberg. We go into [business] together, and he's a brilliant UCLA

attorney, top guy down here. He just got tired of the law and he's gone into different companies, and I've gone in partnership with him and we go into deals together. But I just feel I want to be in certain things that just aren't totally one hundred percent me. That's why real estate was good. We put up a hundred thousand square feet of building.

We bought the land for ninety cents a square foot; it was supposed to cost fifty a square foot. Kurt, I think he had a little bit of Jewish in him, because we built it for \$9

a square foot. We got great rents. We got Garrett Corp[oration], which is a high-tech kind of aviation company.

We got triple-rated tenants, so when we sold it for over \$100 per square foot, it was also clear.

SARGENT: Right, so no financing cost, no interest expense.

PARKER: No, zero. So every check that came in--

SARGENT: Bingo, pure cash flow, go get some more acquisitions.

PARKER: We did. That's what we did.

SARGENT: Once the ball gets rolling down the hill it's hard to stop.

PARKER: It gets bigger.

SARGENT: Yeah, good for you. That's great.

PARKER: Yeah, but that's fun. That's what entrepreneurs do. They bite the bullet.

SARGENT: Bite the bullet and get things rolling. All right, well, should we break for lunch?

PARKER: Why not?

SARGENT: Okay.

PARKER: All right.



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PARKER: Okay, the first business I started on my own was Parker Advertising and basically it was a one-man organization.

So you might say it was definitely not decentralized: it was me. We started with a bunch of small industrial trade kind of accounts. And the first thing I hired was a secretary, and did all the artwork and all the other advertising things on a freelance basis. And within, let's see, about six months of starting Parker Advertising we got a chance to get the Datsun--which is now Nissan [Motor Corporation]--car account.

And we got that through a recommendation of the editor of *Automotive News*, which is a trade journal to the car business, both dealers and factory people. And I was writing the copy and working directly with the key members, Mr. [Yukata] Katayama and Ray Cohen, in getting the Japanese car business started in the United States. This was in 1960. So as to how many people that I supervised: me and my secretary. And after the first year we hired an art director and slowly built the organization as we added new accounts and as we added more billing from Nissan. Nissan needed a lot of services. They had no internal staff whatsoever, not even an advertising manager. Let's see, to answer your questions here, "What criteria do we use in selecting managers--?"

SARGENT: Oh. To back up a second?

PARKER: Sure.

SARGENT: As you expanded, did you have any ratios of salespeople to overall number of staff? Or art directors [and] creative types to overall number of staff?

PARKER: Well, the advertising agency business is, again, one hundred percent people. It's a service business, as we all know. But as to selling stuff, getting advertising accounts is probably more recommendation and more on your credentials, which are the work that you do, the kind of advertising you produce. If that's good, you'll have people come to you.

We didn't go out and, per se, solicit accounts; all the accounts we got pretty much would be described as being over the transom.

They would come to us because they saw the advertising we were doing and liked the work and liked the way we were structured in terms of servicing accounts. We liked to really get into the marketing part of the client's business--and also, even, the product, too--and liked to do a complete and thorough job. We wrote huge plans for the clients and tried to even get into their product research and future development of products for down the road. In the car business, you sort of have to be ahead about four, five years, because it takes that long to develop a car and we work with them on some of the design. Like the Z car, we were involved in that. We

worked in terms of their color and their upholstery and, again, we'd have cars for California that would have, like, mag wheels and big tires and have special promotions and stuff like that.

Otherwise, we were involved not only just running ads to bring people into the dealerships; we were involved in sort of helping to make a product make a fit in a certain market.

California drivers like more jazzy cars than, perhaps, New Yorkers and people like that. So we'd get involved in those kinds of things.

SARGENT: So you really were a full-service--?

PARKER: Yeah, we were; we also had a public relations department.

We did all the collateral material. We would buy, like, eight or ten railcars of paper six months ahead and set them on a rail and print these huge color brochures on all the product lines. So our agency ended up having huge production managers, art directors, copywriters and so on to handle all that material.

Then we did all that--I think I mentioned that before--we did the in-store promotion pieces for the dealerships for the windows and all that kind of material.

SARGENT: So the thing is, once you got an account, like in the Datsun/Nissan case, you were really able to leverage it out into all these different areas: collateral, in-store displays--?

PARKER: Then we had what we called the "Parker field

force"--this is sort of a unique thing. In the car business, there is what we call "dealer groups" and they're in, mainly, the major metropolitan areas like Los Angeles, Chicago, New York, Dallas and so on. And these groups generate money themselves for local-- There's the national advertising and there's the local advertising for the dealers themselves, the money they spend and there's what they call-- The dealers get together and form a group. Now, we had sixty major groups around the country and that billing was probably as big as the national, because some of them, like the L.A. dealer group, would spend \$5 million a year. And they would contribute so many dollars per car, let's say \$50 per car would go into a dealer group pool. Now, we handled all that and we had what we called a "Parker field force" which we sort of created and generated. These guys would operate from their homes, mainly, and they would handle three or four different groups.

For example, we had Willard Paige in Dallas, Texas, and he handled, basically, the state of Texas. He had a southern accent and drove a big Cadillac and was loved by all the Texas boys. They like Texas boys. So he would take our national advertising and with the help of our creative staff in Palos Verdes, we would augment it to appeal to the Texas market, Austin and Dallas and Houston and so on like that. And Willard would meet with the groups, present the advertising, and then

he would locally buy the media. Mainly we would use television and radio. And he could buy at very discounted rates. A lot of times we would go on a weekend when there weren't spots sold. Say a spot would sell for \$1,000, normally, if you bought it on a national basis; he could go in and buy some of them for \$50 or \$100. So we would get much more repetition of the spots and get higher impact on the market.

SARGENT: Did you use CPMs [cost per thousand] back then as a way to figure out--?

PARKER: Yeah, sure.

SARGENT: What was, just by way of comparison, what was sort of the typical CPM, if you remember back then?

PARKER: That's going back a long time. I can't really remember, I'll have to be honest with you. The only thing I can say is that our cost for reaching people was extremely low with the field force, and this is what the dealers love, because they could see themselves on television a lot and, of course, we would all tag them with the local dealer's location and so on like that. So it gave them a personalized kind of media for themselves and gave them a strong impact in the market and they could also-- Certain markets were very strong on selling trucks. Certain markets were strong on selling passenger sports cars and things like that, so they could target the type of product. Or if they had a high inventory

on certain products, we would hit that on a weekend. So we could tailor-make-- Like, the important thing was the correct copy for the market, to tailor-make the kind of product that we wanted, to push that particular time, and then buying at the lowest rate that you could possibly buy it. So we'd come down to San Diego and make some tremendous buys down here.

And our people knew all the newspaper, radio stations and television stations. And we used the Parker field force, too, for A&W Root Beer [Company], which is a client of ours, and for Hitachi and for Bridgestone [Corporation] and many other clients. So if they had a particular problem, like, in Baltimore--Baltimore always seemed to have problems--we would go in there and try to solve it for Nissan. Keep the dealers happy.

SARGENT: Definitely, right. Was this a unique feature, compared to other--?

PARKER: We were the only ones that had this. This was ours.

And it was a powerful tool, extremely powerful. I would say, probably at their peak, the dealer groups were spending \$50 million, or something like that, a year. I would say that the impact we could bring to the market would be \$250 million, really. Just because of the tailor-made-ness of the low buying rates--and even the morale of the dealers. Our men would go out and work with the dealers. We'd help open up dealerships

and it was understanding their problems and helping them to develop their own marketing/advertising things.

SARGENT: This is fascinating. So, I guess, all the adds were produced centrally in California--?

PARKER: Yeah, we had the creative staff but we would tailor-make them for particular markets. We would do special promotions that were, in a way, a little illegal, but at the time when we first started, we needed to do that to start moving cars out and getting the product going. Like in Arizona, which is a very hot-- Phoenix, in those areas--we would give away a free air conditioner, which was not really kosher. The factory knew I was writing these ads, because I knew the dealer, Herm Chadwick, who is a nifty guy and one of our biggest dealers in the country-- We would run special weekend promotions and he would sell fifty or a hundred cars, bang! This is when we were getting a product off the ground. But, again, we would buy the media, so this created, too, a dealer enthusiasm, a togetherness of the dealers. They all felt a part of the factory. If they just see national advertising on the NFL [National Football League] or on baseball games and so on like that, I think they don't appreciate it. They appreciate it if it's something they were involved in, they were in meetings. We'd have dinners, lunches, and they could make comments on the advertising and many times we'd use their comments.

So you get the enthusiasm of the dealers, and you get them the best kind of ad, and you get it at a really good price. That's about as good as you can do.

SARGENT: That's great. Also, there's probably a call to action there as well, where somebody sees a Datsun, it looks like a good car, and they have the address, they have the phone number, heck, they might even know the guy who is the dealer.

PARKER: Well, his name is on there and a lot of times we would put the pictures of the dealers-- Like I did ads in L.A.: at one time, many years ago, we had forty dealers. And I had the whole group on there. Maury Sage in North Hollywood and all these different guys. You would get them involved and that created enthusiasm and getting them closer to the factory. Usually, there would be a district or regional manager with us when we'd have meetings and things like that so they could talk about parts and service and other things and we'd get into the advertising part of it. It was very helpful and worked very well.

SARGENT: Now, did Parker Advertising also do dealer recruitment, as well, or dealer training?

PARKER: No, we weren't involved in that. That was strictly the factory. We did the racing program. We did the public relations. Basically I wrote their marketing plans and put



on all their meetings for them and then, like I say, we did the national advertising. Actually, we prepared the dealer kits, too, and we had our own fulfillment warehouse--it was about fifty thousand square feet, but I owned the buildings in L.A.--and we would mail out what we called newspaper mattes.

Are you familiar with newspapers or that kind of stuff?

So, anyways, you have a glossy and then a matte and typewritten radio commercials that could be given live by a local announcer, and then we had an ordering thing if they wanted to order a TV commercial or if the dealer himself would want to run his own program. In smaller markets, the dealers could use television on their own, you know, in a smaller area that wasn't so expensive, but we would send out these kits so he had, in a way, his own little advertising department. He had all the materials prepared for him. And even mailing--kind of folders and things like that that they could mail out to customers. And ideas for promotions that they could do like Fourth of July or Labor Day or those kinds of things.

SARGENT: So really trying to promote, promote it hard. How did you allocate the marketing mix and figure out how much--?

PARKER: That's always a "by guess and by golly." The dealers, particularly, [laughs] they like the retail, you know, the newspaper. Radio is an extremely efficient media, if used right. You can get on it real quick and you can target and

change copy. Television is, of course, more expensive, more complicated, but also demonstrates the product, and people really get to see it. The mix probably always ends up being more television than anything else, just because of the power of television and the fact, again, you can demonstrate the performance of a vehicle and also the beauty of it.

SARGENT: Any magazines?

PARKER: Oh, yeah, we were in all of the major magazines. We were in *Time*, *Newsweek*, *Sports Illustrated*, and the whole list. You name them, we were in them. In fact, some of the magazines we were in I don't think are even published now.

Going back into the sixties, some of them have gone out of business. I don't think *People* magazine was there when we were running.

SARGENT: Yeah, *People* magazine?

PARKER: So, yeah, we were in all the major magazines, too.

SARGENT: What kind of stuff, would you say, you did differently than GM [General Motors Corporation] and the big American companies, as well as Toyota [Motor Corporation] and all those guys?

PARKER: Well, we probably ran more promotions. We would have-- Well, I think I mentioned to you before, we had "Drive a Datsun, Plant a Tree" and that's where if you test drove a Datsun--this is during the environmental thing--we would plant a tree, in

a national forest or a park, in your name. That was very, very successful, got a lot of test drives and sold a lot of cars. We had "Datsun Saves." [laughs] And what we did on "Datsun Saves"--it sounds like a simple thing, but it's a hugely complicated program--we bought all the five gallon gas cans you can find in the country and I had sixty thousand square feet of buildings up in Palos Verdes, and all the floors were covered with cans-- So a dealer, if you went in for a test drive, would give you a gas can to store gas in. [laughs] And then we ran ads-- I think I told you, we had testimonial ads of people of the great gas mileage and we used priests and doctors and lawyers and Indian chiefs and everything, and we used an enormous amount of humor in our ads, our ads had a lot of humor in them, they really did. I think the [Museum of Television and Radio] in New York wanted all of our stuff because it was really funny and successful. A lot of it was extremely humorous material. But we did do a lot of extremely successful, big, national promotions. And I think that and the humor would probably make the uniqueness of our types of advertising.

SARGENT: Yeah, great. I guess we'll go back on the track here: What criteria did you use for selecting managers or potential successors who you could rely on?

PARKER: Well, in the creative business, that's always a tough

one, but again-- I had to select all of the department heads myself and a lot of them had backgrounds in Foote, Cone, and Belding [Worldwide] or J. Walter Thompson [Company]. One of the problems that we particularly had as a smaller agency, even though we were the largest in the western United States at the time, because of the nature of the big accounts that we had, like Nissan, is people who came from big agencies that were billing many, many times more than we were had this big agency feeling. So I had to make sure that they were going to be happy in an agency with only a hundred or so employees.

And with most of the people that was not a problem. There were a few who did have that problem and ended up leaving. And most of them wanted to come back after they left. It was sort of interesting.

We needed, really, almost mavericks, in a way, because that's the way we operated. We had less people, I think I explained that to you before, than the other advertising agencies, but we had better people, we paid them better, we had many benefits: we had a profit sharing plan, we had a pension plan and we had an ESOP [employee stock ownership plan]. And most of our employees, when they left, ended up with a pile of money. So we really treated them well and kept them motivated. So we looked for people with that kind of nature and when I talked to people whose references they

had given, that's what I tried to look for. We wanted people who were smart and who were motivated. In my office, every Monday morning, I'd have a meeting with all the people and we'd go over the major issues. We'd have the creative director, the media director, the marketing research, marketing directors and PR [public relations] directors. So we'd go over all the stuff that needed to be done and anything we needed to analyze and stuff we were doing and everybody would walk out of the room knowing where we were and what we were going to do. So kept internal communications good. And advertising is a fun business, anyways, so you don't need stimulus on keeping yourself frisky in that one. But selecting managers is always a tricky business, and if you do it right you're going to have a great company, and if you don't do it right then you're not going to do very well, that's for sure.

SARGENT: Did you do a lot of interviewing or recommendations or past work experience or all of the above?

PARKER: Well, we would try to do selectivity before we got-- We didn't interview a ton of people. Our business is fairly small in the fact that there are only so many good creative directors around. And, I think, like I mentioned to you before, I knew Ab [Abbot] Davis was probably the best media director in the country and he was head of the Chevy [Chevrolet Motor Division of General Motors Corporation], which at that time

was the largest single media account. So I went back and hired him. I don't think I needed any references and Ab said it was the greatest move he's ever made in his life and he loved it and still loves it. But we moved him out of Detroit to Palos Verdes, maybe that was it. But he did a tremendous job for us, he had an enormous background, and he had the big experience.

So we brought the level of Chevy motor car division to a little Japanese car company. So we had the benefit of his experience, knowledge, and he was a happy camper. What I'd do, if I found somebody, I'd go back and steal them.

SARGENT: So you'd cherry-pick the best people in the industry.

PARKER: Right. You have to. If you're competing with General Motors and Ford [Motor Company] and Toyota and so on, you've got to have better people. One of the major problems we had is our people at Parker were probably better than our clients. And I say it's a problem--it was and it wasn't. They respected us but sometimes we were a little bit ahead of them. We tried to be that way, but sometimes that creates some ego problems, so you have to watch you don't step on the client's foot. So that's sort of a balance you have to achieve.

SARGENT: Yeah, definitely. Sometimes a company's, sort of-- When you hire good people and pay good money for them, sometimes that eventually degrades to a point where you sort of go

first-class, spend a lot of money, but you're not getting performance out of people. How did you continually work on motivating people to make sure that didn't happen?

PARKER: Well, it's going to happen. I don't think that everybody's going to be a hundred percent, and I think one thing that you have to know as an owner of a business, and anybody who starts his own business will realize that-- Everybody's not going to have the same motivation that you have. They could be media buyers, but could never be the media director. And I think the key, really, is to get people in a spot, that are happy in that spot and are the best they can be in that given spot. And it sounds really weird, but I always thought when I first started the business that everybody wanted to rise to president. Well, most people don't and you [might] just as well forget that. I always try to encourage them, and I spend a lot of time with my people, as they would attest to, but your hope is just to have the best people in the copy writing department and the best people in the art department. Some of them will not want to be creative art directors or the head of the art department. They are happy just cranking out production. Some people just like to do paste-up. We had Jonelea Stamnock, she was probably one of the most profitable employees I had; she could sit there and paste up twenty ads a day. And I could bill her out at \$125

an hour and pay her twenty. But she was happy doing that.

And we created an atmosphere of fun, too. We had a party or two a week. Yeah, we just partied our little hearts out.

So it was never a problem with people not liking where they worked because we had a tendency to do that. But you can't keep everybody happy. And I think the sooner you realize that, the better off as an owner or a manager of a business you are. If somebody keeps bitching and complaining, the best thing to do is say, "Hey, go to work for J. Walter Thompson, go take that big job. I can't make it right for you." And most of the people that left would come back three months later saying, "Well, that was a big mistake." Sometimes we would take them back. There are some people that are really good workers and are good in certain areas, but if you bring them up-- A lot of times we had the head of all TV for Foote, Cone, and Belding--which was a good agency, and still is--but he thought he wanted to be the operation manager of Parker Advertising. So I says, "Okay, Don, I'll put you in." Well, he was in that job for about a year and it just drove him nuts because he had to listen to all the gripes and stuff with people and he said, "God, I want to get back into TV and radio production." So I guess you got to watch you don't put somebody in a job that is not the right thing. He wanted the title but that wasn't the thing he should be doing. He's



basically a creative guy. SARGENT: "Peter's principle," as they say.

PARKER: Right.

SARGENT: All right. Let's see, the next thing is how did you make decisions? To what extent did you rely on the advice of others or using the sounding boards?

PARKER: Well, I abide by the advice of others a lot. I try to talk to as many people as I can on any particular decision.

I always read a lot. And I think that, as I said before, in the advertising agency business, you can't make any major mistakes or you're dead, you lose the account. So in a creative business, decisions are a lot made on all of your experience that you've accumulated and that little magic wand you have that you know what is going to be the right way to go. I think that you're a fool if you don't listen to as many people as you can if you have to make a major move with an account in the advertising business. Decision making is a process, so I think it has to be taken as that and I think that your own ego shouldn't be involved in that. I'd rather hire somebody much smarter than I am or more creative or more knowledgeable in research or whatever and let them have at it. One of the things, I think--if you ask--the five or six hundred people that work for me would say about me is that I never second-guessed them. Ever. I let them go for it. If I saw they were really

off the path, I'd say, "Whoa, wait a minute, let's rethink it and come back to me again." But if you get really good people, and we had the best in the country, I think you let them go for it. You don't second-guess them. If you second-guess somebody, you will get very humdrum or bland stuff out of them.

SARGENT: In other words, what would be the things--?

PARKER: They'll try to do what they think you think they should do, and you don't want that.

SARGENT: And this is in terms of creating ads?

PARKER: Creating ads or anything, marketing of a client's product. Media buying can be very creative--

SARGENT: What happened when an employee made a good stab at it--you know, you didn't second-guess them, and looking forward it seemed like the right decision--but as things unfolded, looking back, 20/20 hindsight, you saw that it wasn't the right thing to do?

PARKER: Well, again, I think that certainly is going to happen in any instance, but I think you don't beat up on anybody if you make a wrong decision. We had a thing at Batten, Barton, Durstine, and Osborn [BBDO Worldwide] that was called brainstorming. And when you brainstorm-- I know when I did Hit Parade cigarettes, I came up with a slogan they eventually used. But somebody could say anything: "Well, let's make

the packet bright red and we'll put a purple dot in the middle."

Well, you don't say, "Jesus Christ, Al, that's the stupidest idea I've ever heard of; that is idiotic!" [laughs] Well, you don't do that. You write it all down and then you talk about it: "Say, maybe this isn't all that great, maybe the purple package is not really spiffy. Everybody doesn't like purple." I guess the idea is that you don't criticize. You all throw in your stuff, your different ideas, and everybody has a different look at things, all coming from different areas. So I think you need to-- You don't beat up on somebody if they make a mistake, because he who has not made a mistake hasn't swung at the ball, really, has not tried. So it goes back to just leadership. The best leaders, by far, are the ones where the employees, or the people, say, "We did it."

The leader sits back and goes "hmmm." See what I mean?

SARGENT: Yeah, they kind of cultivate it; they set up the stage for it.

PARKER: Yeah, you set up the atmosphere, you get good people, and then you let them go for it. So, like I said, the main time my guys came to me--or girls--was when they couldn't quite figure it out. And I'd get the old call or I'd look out and there would be six creative guys at my door, and I'd say, "Okay, come on in." So we'd sit down there and order in lunch and figure it out.

SARGENT: Did you almost, because of the nature of the advertising, did you almost expect--? You know, you say, "If you haven't made a mistake, you haven't swung at the ball"--

PARKER: Right.

SARGENT: Did you almost expect people to make a mistake, one out of every ten times?

PARKER: You know, I don't think there's any percentages, Al. I don't think you can computerize or-- Maybe you can nowadays, you couldn't when I did it.

SARGENT: Rather than put an exact number on it, though--I guess maybe I didn't really phrase the question right--out of every several times, or whatever, did you almost sort expect someone to be making a mistake, because that would show they were on the edge?

PARKER: Well, I don't. Personally, I don't. I am a born optimist and I don't ever look-- I don't have a paranoid bone in my body. I never look for a reason why something isn't going to work. And I can tell you this, when I told some of my fraternity brothers, buddies, that I had a Japanese car, in 1960, they said, "Well, good luck. Nobody's going to sell a Japanese car." Everybody hated them for bombing Pearl Harbor and their quality image in the United States was like zip because they made little toys that broke down in about five minutes. So I guess I went into it with the

idea that we're going to sell these little suckers and we're going to figure out a good way to do it and market it and so on like that. So I don't look for things to not go right.

I think that a great wave of enthusiasm and smarts can solve pretty much any problem. Now, if we had a bad product, if Nissan had come over with engines that blew up after ten thousand miles or brakes that didn't work or suspensions that were so hard that people would get back problems, then we've got a serious problem, and I think I'd hand the account to somebody else. You know, like I say, I never beat on anybody who really gave it their all and something went wrong. We certainly made mistakes, everybody does, and I think you got to fall back and punt. The other thing is, particularly as it relates to your relationship with your client, you've got to, if you saw you made a mistake, you'd go to the client and say, "Hey, we fucked up." And I did that a few times. We made a bad printing job--the ink was not correct, the colors were off--and I walked into Katayama and I said, "K, this looks like shit.

No specific thing, nobody did it on purpose, nobody wants to do a bad job, but," I said, "it just turned out bad." And I said, "I'm paying for it. I'm going to redo it and tell your guys to throw this away and we'll deliver the new stuff in a week." So I think the best thing you can do if you made a mistake, fix it and move on. That's what I always

did and that always worked.

SARGENT: And long-term, that really established the relationship and strengthened it and everything. Okay. To what extent did you delegate authority?

PARKER: Totally. I just give them the ball.

SARGENT: And they run with it.

PARKER: Sure.

SARGENT: As you became a more experienced entrepreneur, what balance did you strike between heeding the advice of others on one hand and making the sole decisions on the other hand?

PARKER: Well, I'm sort of a team player. So I truly like to work and listen to-- There's the old story--I don't want to pontificate here--that the richest man in Babylon--Babylon, as you know, was a rich city, and he got to be the richest man because he relied on the advice of his lawyer, his accountant, his whatever. He listened to advice and he followed that advice. So that's how I did it. Sometimes, we would talk about it. And maybe we changed things a little bit after we had sort of yakked on it. But I think you've got-- To do a \$10 million ad campaign, say the quarterly campaign for Nissan, you've got to sit there and put it all together. It's a matter of good, creative, timely-- Timeliness in anything is paramount, and somebody from left field can come out with an idea that, man, can just be fabulous.

So you just never know unless you talk about it. I think you need to sit and everybody needs to feel that they're contributing to it, that what they say counts. And you will pay attention to it and listen to it. And that way you get them to give their best. So that's the way I worked.

SARGENT: Yeah, that's good. Was there ever a time when, either before Parker Advertising or after Parker Advertising, when people said, "No, no, no, you shouldn't do this," [and] you went ahead and did it?

PARKER: Well, I think I told you the "Drive a Datsun, Plant a Tree" the client said, "I hate this campaign, it's the dumbest thing I ever heard of, and if you want to go ahead and jeopardize the account--" He was teasing me, in a way, but he says, "I think this is one dumb thing." Well, that's the one that did happen to win the best campaign of the year and he went to Hawaii and got the Clio.

SARGENT: That's right, you mentioned this.

PARKER: So I guess I have gone ahead and done stuff. I've sometimes told a client, "I'm just going to go ahead and do it and if you want to fire me, fire me." I just really believe in it. And I can tell you this, if he's a good client, he will respect you for it. It's like your doctor says, "Well, God, I think we need to take out your appendix," or something like that, and you say, "Well, I don't want to take my appendix

out, I don't believe that." You want to be convinced that the guy knows what he's doing and I think a client wants you to believe in what you're doing, and [when] he knows you do then he will love you for it and he'll be your client forever.

We had that kind of situation. We kept out clients forever.

We never really basically lost clients.

SARGENT: So they knew you believed in what you were doing--

PARKER: Convictions. And Mayf [Mayfield Marshall] was a good tester of that. The guy I hired from *Motor Trend*. Good automobile man, too.

SARGENT: Mayf?

PARKER: Mayfield Marshall. He was the ad manager of Nissan.

So many advertising--I shouldn't bad-mouth my industry--but some advertising men can be a little wishy-washy. The client will come in and say, "My wife thinks that"--say we had Redken [5th Avenue NYC] cosmetics--"the jar should be like this, and all that kind of stuff." Well, what does his wife know? Who knows! [laughs] I think if you have a conviction and you are a professional, you sort of got to hang in and stand up for what you think is right for the client. If you don't, eventually you will lose the client. He, all of sudden, figures out that he's telling you what to do and you're listening to his son, his daughter and his wife. Suddenly, he's going to wake up and say, "Jesus, Parker isn't that sharp, I'm doing all the



work!"

Now, the other major thing I think, and this is something that you guys can learn, I would think, as you go out into business-- We had the problem in advertising-- If you have a great campaign, like Datsun, say--sell the hell out of a client's product, dealers are empty of cars, and everybody's making money and happy--the next thing Katayama or the client will say to me, "Now, what have you got next for us?"

"I'll tell you what I got next for you, K, we're going to keep running this same campaign."

"Well, that means you guys are not working!"

"Hey, the advertising is working. It's not that we're not working, we're going to make better media buys, but we're going to keep the goddamn campaign because everybody is not-- You've been looking at this three or four months before we ran it. You've seen it before the consumer sees it and the consumer is not sitting there waiting to see a Nissan or a Datsun ad. He's exposed to about ten thousand ads a day: TV, radio, newspapers, magazines, billboards."

SARGENT: And he's not looking at the ad as carefully as Katayama.

PARKER: No! Repetition in advertising is probably one of the most, if you got the right words or visual, is the most powerful thing. But, anyway, the point being is that the

hardest thing is to keep a client on a campaign that's successful, because they want to look at new ads and all that stuff. I told Katayama one time, "I'll go back and I'll have my art directors come up with stuff and we can just play with it, but we're not going to use it. We're going to stick with this one."

SARGENT: It's almost like the client wants a new toy, almost.

PARKER: Well, they do and they want to feel like you guys are working on stuff and, you know, all this kind of stuff.

Sometimes the best thing you can do is just stick with the campaign you've got.

SARGENT: Because they were paying you a retainer, as well, right?

PARKER: Oh, sure.

SARGENT: So they wanted to see--

PARKER: Yeah. You were producing new things.

SARGENT: It's sort of the mentality of a car company, come out with a new model every year. So when you get into that mentality, your ad company should come out--

PARKER: With ideas.

SARGENT: A new model every quarter, or whatever.

PARKER: It's the same sort of thing. A good agency, if they see they have a successful campaign and it's working, is to keep the client on it.

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OCTOBER 20, 1998

SARGENT: All right, so did we cover this question completely, here?

PARKER: Where are we?

SARGENT: In terms of heeding the advice of others and making sole decisions?

PARKER: Again, I don't make decisions without as much information as I can find, both from people and from reading and from observation and everything you can possibly gather. So, hopefully, you keep your batting average about five hundred. [laughs] Try to, anyway.

SARGENT: So going onto the next one, in your experience, have entrepreneurs preferred to centralize information and decision-making power or to decentralize the acquisition of knowledge and decision making? In your case, I know you delegated a lot, and so a pretty open type of information sharing, but maybe we can talk a little bit about your experience, and then what you've observed from other entrepreneurs.

PARKER: Well, again, we let our guys do the thing--the field force-- You're going to limit the size of your organization and probably the success if you try to hold it all in centrally, I think, unless there's a reason, the way the company is structured or-- Whatever the company's venue or business is,

I think by decentralizing, delegating-- If you're a national business like our field force--we had a fully staffed New York office and things like that--you've got to let those guys run the show there. We had a very efficient call-report system so we knew immediately what was going on. Our field force had a manual and we reviewed it twice a year. All the field force would get together in various parts of the country and we had an annual, total operation. I mean, we were really organized. So everybody knew the drill, they knew what was required of them and then we would talk about it: talk about new problems, dealer attitudes, products or lack of product and that kind of thing. I think if you try to keep it all in one area, you're going to lose sight of the market out there, which varies. Portland is much different than Atlanta and New York is different than Chicago. I think you need to have people out there who are on the scene who can--

SARGENT: Who can localize it.

PARKER: --who can localize it and assess what the particular problem is there. You've got weather problems. Nobody's going to go off and buy a car in a hurricane or torrential downpour or snow, for example. So we'd hold up the advertising campaign.

SARGENT: Oh, yeah?

PARKER: Why run ads when nobody's going to go and buy cars?

SARGENT: Yeah, good point.

PARKER: There's all those kind of factors. Like I say, timing, certain things are happening in certain areas. Right now the floods in Texas, I'm sure, are causing companies all kinds of headaches.

SARGENT: Now, would you say, this field force--? I guess the alternative would be to have centralized media buying--

PARKER: We did have centralized media buying in the--

SARGENT: New York?

PARKER: Well, New York and L.A., but the other thing is, all these media buys that my local guys would make, we could always overview them. And I could say to Willard, "Jesus, Willard [Paige], now why the hell did you buy this time, because all you're hitting is women sixty years old, or something."

I'm just using an analogy-- I said, "You know, you might think about that one." I wouldn't beat up on the guy, but I would say that this isn't our market. It's twenty-five to forty-five. We knew our demographics, so we targeted. The truck was different than the Z car. Z car was a higher level, educated-- And that's part of the reason we'd have our meetings, too. We could analyze the different things that we were doing. Certain areas you can use billboards, certain areas you can't use billboards. Certain areas don't have billboards because of laws. But I believe more in decentralization because, again, targeting the whole thing

to what is happening at that particular area at that particular time and the attitudes of the people there.

SARGENT: You know, kind of going off on a tangent here, you mentioned that you advertised Datsun and also, presumably, other Japanese products, in places like Texas and the South--

PARKER: Well, we had A&W Root Beer. At one time they were the largest fast food drive-up restaurant, over three thousand. They make a terrific root beer.

SARGENT: Oh, they're still around?

PARKER: --part of American Brands at that time. And we had Allstate [Corporation]. A&W really gave us the job because they wanted the local guys coming in and doing promotions for their local A&W people.

SARGENT: Actually, again, a little tangent, when I was living in Asia A&W was huge. They are everywhere.

PARKER: Yeah, "With that frosty-mug taste!" That was ours.

SARGENT: Oh yeah?

PARKER: Yeah.

SARGENT: Kids in Beijing might be hearing that now. Pretty amazing.

PARKER: One of the great things of the Parker field force--it was fun; that's what my kids liked to call it [laughs]--but it was a great research thing for us, because all those call reports and stuff that would come in from our guys around

the country, and there's about thirty-five of them, altogether, gave us a knowledge of what's happening at the local dealer level. Say, Bridgestone tires, we would know what the hell the tire dealers were doing, what their attitudes were and stuff like that. And we could pick up stuff and it would help us copy-wise and getting [on] with creative--

SARGENT: Could you give me some examples?

PARKER: Well, let me think. You're taking me back here a bit now. I'm trying to think of a specific thing that would happen. I don't want to use Datsun all the time, because we'd find out-- Well, A&W was a problem in getting cooperation with the A&W franchisees. The problem with A&W is their product was good, their hamburgers were great! They made great hamburgers. I don't know if you ever had one at A&W?

SARGENT: Oh, I grew up on them.

PARKER: But their frosty mug root beer--came out in a mug-- I have an A&W root beer collection of mugs.

SARGENT: I loved them as a kid. You sold me as a kid!

PARKER: I did. I have about forty A&W mugs of different styles.

Whereas McDonald's [Corporation] had total control with quality and all that kind of stuff, A&W had-- Damn near every franchisee had a different contract. So if they didn't like the ad campaign we could find out very quickly what dealers were going to cooperate with us,

and you have the same thing, even though you had contracts with dealers. A&W couldn't become huge-- They were the largest; they had three thousand A&W root beer places before McDonald's even started, basically. But everybody had a different contract so they could do anything they wanted to. They could build their facility however they wanted to. They made great hot dogs and hamburgers at A&W stands, too, and stuff like that, because they were owned by American Brands, that made hot dogs, too. But the lack of contractual control and the ability to tell the franchisee what to do-- Not that you want to be a dictator, but if you're going to have a franchise, you better make it all alike. We did some work for Holiday Inn [Worldwide], and all the Holiday Inns are pretty much the same and that's why you go to the Holiday Inn you know you're going to get a nice, clean room and pretty much what it's going to look like. When you go to McDonald's, you pretty much know what you're going to get and it's going to be clean and tasteful and all that kind of stuff.

Well, A&W, we just couldn't get these guys to follow the program. We'd do an ad on a certain thing and then we'd find out real quickly that half the franchisees weren't going to make the product.

SARGENT: Wow.

PARKER: Weren't even going to do the particular hot dog



or hamburger that we were promoting. So our field force could let us know real quickly and we could stop the thing before we got whacked.

SARGENT: Right, because if they weren't going to accept it then they weren't going to pay for it, because I guess all the franchisees paid for advertising at the national--

PARKER: You got it. Sure, they all contributed to it. So we had a problem with that. The company had the problem, not us. They needed to go back and regroup with all their franchisees. And they really never did. I don't know what they're doing now. I don't have a clue.

SARGENT: I don't know how they work.

PARKER: Except they make great root beer.

SARGENT: Ah! Great root beer.

PARKER: But we could find out very quickly how something-- We could also find out very quickly how an ad campaign was working. I mean, if an ad hit on TV Friday evening, Saturday morning, if there were people walking through--and sometimes we would key them with a guy saying, "I want that transmission that you advertised from Muncie, Indiana"--we would know that they saw that TV commercial. And I'd ask our guys to get on the phone and let us know if it was working. So they can be your eyes and ears to the effectiveness of your advertising campaign.

SARGENT: That's interesting. You had these people, these feet on the street giving you feedback. You know, one thing, a couple of friends of mine are working in a marketing start-up which really tries to quantify a lot of this stuff, taking all the data, and you can analyze it a million different ways. Did you guys do a lot advertising or was it more just sort of hear what the different people are saying from the different parts and make a decision, sort of more on qualitative--?

PARKER: Wait a minute, let me get the question straight here.

SARGENT: I guess what I'm getting at is when the different members of the field force would give you a report would you actually try to get hard, quantitative data or was it more on a qualitative basis?

PARKER: It was both, really. We had, as I mentioned to you, we had two Ph.D.s in our research department. We had Yankelovich, far-range studies. We subscribe to all research information known to man, and, of course, all the mediabooks. We paid literally hundreds of thousands of dollars for research information. So everything that came in was pumped into-- We didn't have the sophisticated computer systems that they have nowadays, but we did analyze everything, both in terms of the quality of it and the quantity of it. And

we knew pretty damn quickly whether something was on target or whether there were some adjustments that needed to be made real quickly. And that kept your advertising as effective as it can be. So, yeah, we did analyze it both ways.

SARGENT: And you analyzed response rates or--?

PARKER: Right.

SARGENT: How would you do some of this analysis? Would you call people up and say, "Have you heard this ad for A&W?"

PARKER: Yeah, we did a lot of phone surveys. A lot of stuff.

And we subscribed to every research thing known to man on all our different products that we advertised for.

SARGENT: So you'd really use that research to figure out where to throw more advertising.

PARKER: We didn't go in blind on anything, really. We went in pretty much with as much information as we could put together.

I'll tell you one of the probably-- [laughs] I was a keynote speaker at the American Association of Advertising Agencies at the Broadmore Hotel in Colorado Springs and we had done this great campaign. It was many years ago. We call it the Muncie campaign. It was a classic marketing-advertising solution to a horrible situation the client put us in. Datsun, when it first came over, didn't have an automatic transmission, because they didn't make one. And I kept telling them, "Shit, this is all dandy, but most women in the United States don't

like four-speed shifts." So I said, "You've got to get me an automatic transmission. Otherwise you're missing a big chunk of the market here." Guys like stick and it's better control and better gas mileage and all that stuff, so-- Friday afternoon we get a teletype--and for some reason it came directly to us, not the factory--that they had six thousand automatic transmission-equipped cars--I think they were all white, which is typical Nissan--on the water. They were sailing towards San Pedro and whatever.

SARGENT: Just on the basis of your message?

PARKER: Well, I bugged them a lot. I would send them wires and stuff like that on marketing. And in the teletype it said, "These Borg-Warner [Automotive] transmissions will be very efficient." And so on like that. So I wired back and I said, "Borg-Warner? Are you making them under license with Borg-Warner or where are these transmissions made?" And I get a wire back that said, "They're made in Muncie, Indiana."

So I said, "Shit! You've got to be kidding, the heart of the Datsun is from Muncie, Indiana?" It's like an American-Japanese car with the heart of an American in it.

So we sat down with our creative guys and for the weekend we came up with a Robert Preston, *Music Man* kind of commercial.

We took the Screen Gems [logo] in the Columbia lot and we had a young Robert Preston--I don't know if you know who he

was, he was a famous musical guy-- We got some Hollywood musicians and writers and [sings] "Da, da, da, from Muncie, Indiana," and we had this big, fucking celebration of the Datsun car with the heart of Muncie, Indiana, the transmission made in Muncie, Indiana. Borg-Warner is a very quality manufacturer and we did a fabulous commercial. We did great radio commercials and we did supporting newspaper ads and stuff like that. I don't think we did any billboards. So we blasted that thing out and people would come into the dealerships and say, "Where's that Muncie, Indiana car?" [laughs] And we sold them! We sold all six thousand of them, boom! like that!

SARGENT: Even though they were all white.

PARKER: They were all white, with blue upholstery. So that was a marketing solution to a-- See, the problem really, Al, is that Americans don't give a darn-- Every car has an automatic transmission. Everybody would go, "Huh?" Who cares? Every car has an automatic transmission, basically. But we did it the other way, we made it exciting.

SARGENT: Yeah, you took a little angle. And did you even mention in the ad that it was a Datsun?

PARKER: Yeah, oh, sure.

SARGENT: Okay, but everyone heard Muncie, Indiana.

PARKER: Right, made by Borg-Warner.

SARGENT: That's something that, actually, a lot of Japanese

car companies are just now starting to do--well, maybe not just, but in the last five years--saying, "Hey, we make our Toyotas here in the U.S., in Nashville, Tennessee." But this was twenty-five years earlier.

PARKER: Well, it was in the sixties.

SARGENT: So, sixties, so thirty-five years. Not bad. How did you--a question that's not on the list here--how did you really penetrate the heartland: the Midwest, the South?

PARKER: That was the last area, I think, that we really got to. Because the way Nissan set it up, they set up the West Coast and the East Coast. And they set up two equal ranked vice presidents and a president who was in Japan initially and let them fight it out and whoever did the best became president. Well, fortunately, the west did the best and so--

SARGENT: And that was Katayama?

PARKER: That was Katayama. The heartland was the last part we got, because they were a very American car. As you probably know in your marketing studies, they buy American. They didn't buy imports. They were, and probably still are, the least penetration of imports. They were the last. But we got California, New York and the East Coast and then started moving in. Texas we did good because of little trucks and stuff like that.

SARGENT: They like the light trucks--

PARKER: Yeah, they did. They used them to race around the ranches and stuff like that.

SARGENT: Yeah, you mentioned that trucks were one of your beachheads.

PARKER: They were, definitely. Without the truck it would have been tough.

SARGENT: And the Z was another.

PARKER: The Z really helped a lot because it threw an image of every Datsun had a little Z in it.

SARGENT: Cool.

PARKER: Yeah.

SARGENT: So let's see here, here's an interesting question--

PARKER: Okay.

SARGENT: --and I'm not sure-- We can skip it if you like, and we can go through with it if it sparks something: What factors would lead to an entrepreneurial--we're talking about decentralized-centralized--decision to decentralize? I guess you were decentralized pretty much from the get-go--

PARKER: Yeah, yeah we were. Well, I think the ability to have eyes out on the market or where your business is really happening is the reason to decentralize. What was the airline?

Was it United [Airlines] that tried to run everything from Chicago?

SARGENT: You know, I think it is based in Chicago.

PARKER: But I think they were trying to run it all from there and ended up getting into deep doggy-do and totally decentralized and let the regions--

SARGENT: Work it out?

PARKER: --call their own shots.

SARGENT: Yeah, that's constantly an issue. To what extent did your philosophy about selecting managers change in the years past, as the years passed. Either Parker Advertising or beyond? And the same thing for decision making, how did that change? And also about delegating-- Were they constant? Or did they sort of evolve?

PARKER: I think, basically, it's your philosophy of running your business and selecting people and allowing them to do their thing. I don't think mine has really changed. Nowadays we have access to quicker and more information, with computers and that, but I think leading people-- The hardest thing to find really, Al, is a good leader. There aren't a lot of them around, I hate to say it. I'm not sure that [William J.] Clinton's a great leader, to be honest with you. But I think the only way you're going to discover if a manager is a good leader is to allow him to go ahead and do his job and not to second-guess what he's doing. And then if you find out he doesn't know what he's doing, then you have to replace him. I'm not thrilled about replacing any people.



Probably, if I have any major mistake--I corrected it after a while--is to allow people to stay too long who are not doing the job. Now, the other thing you have to watch is somebody who can be a disrupting force in the business, who is bad-mouthing you or the business or that kind of thing.

SARGENT: Yeah, you need people who sort of fit with the culture.

PARKER: Yeah, who work together well. So you have to uncover that quickly and solve it.

SARGENT: So your decentralized style worked well as Parker Advertising from one person all the way to--? Over a hundred people?

PARKER: I think we had more than that, probably. I'd have to check. I'd say a couple hundred.

SARGENT: But the same principles worked well at every stage of the game.

PARKER: Yeah, they did.

SARGENT: That's great. So, these are again, sort of asking--leadership styles, again-- If it does anything for you we can answer it. In your opinion, how should an entrepreneur treat subordinates? Autocratically, hands-off?

And then, related to this question, what is the best way to handle subordinate opposition?

PARKER: That's a tough question. Again, I think you should treat everybody with respect, including the secretaries.

SARGENT: Especially the secretaries.

PARKER: You got it. Katayama's secretary and I were best buddies and she would let me know everything that's cooking.

She'd call me on the phone and say, "John, I think--" I think, again, the thing of mutual respect is important, no matter what the position the person has. If a person--and I've had to sit down with many employees--has an attitude you want to try-- If they've been there for a while and the attitude changed, sometimes it's not always the business that's causing the attitude. It can be an outside thing: health, back pain, whatever. It can be marital problems-- In the advertising agency business, we seem to have a lot of that because of guys who are working long hours and stuff like that. But you have to try to uncover whether it is related to the business or is it related to some other factors, a parent died or something has happened that you didn't know about. The best thing you can do is say, "Why don't we give you a couple of weeks off and sort of think about what you want to do and come on back."

I've done that before and I think that has worked for me.

But if you have somebody with a bad attitude they probably don't fit into a particular leadership style. In a way, there was only one John Parker, and everybody knew who the boss was. And I had an executive secretary who managed like seventy girls and they knew she was a hundred percent loyal to me.

So there was never a crack in that thing. And she kept on those girls. If they were late from lunch she was out leaning on their desk, saying-- That kind of thing. But if a person is going to be a constant disruptive force, I think they have to be let go. And I think the sooner the better because it just muddies up the whole situation and sets a bad tone. And I like people who are happy and enjoying themselves and having fun.

SARGENT: Well, like you said, that was the environment, the big thing cultivating the creativity and everything else.

PARKER: Right, sure. And creative people, they're like actors and actresses. They are like children, a lot of them.

I mean, I was young, in my twenties and thirties when I was running this, but there were guys in their forties, fifties and so on like that. You do these big campaigns--it's like winning an Academy Award, we win all these Clios and all that stuff--but then they come in, they're basket cases, they start drinking and these things happen. So you have to sort of sit them down and say, "Hey." They want to feel-- It's like petting your dog. If you don't pet him every day, he's going to think you don't like him. So they want to receive affection from you and know that you care about them. You've got to nurture their creative skills. And you've got to constantly pump them up and send them out the door, ready to go kill again. [laughs]

Well, you do, it's a funny thing. People, in a way, don't work so much for the money, they work for the accolades and things like that, particularly in the agency business. I mean, sure, you need the money to feed the bulldog but you have to keep nurturing that creative skill. It's not only creativity in writing the ads, it's creativity in marketing the ads and buying the media. You can be very creative in buying the media. [laughs]

We did--

SARGENT: Blimps.

PARKER: We did all kinds of crazy things. Wrestling bears and you name it. But Piz Buin-- You've never heard of it and I don't even know where it is. It was the largest selling suntan lotion in Europe, used by skiers and sun worshippers in Spain and every place. And they tried to market this thing in the United States and they failed miserably and then they went through [Bergen] Brunswick [Corporation], which is the biggest distributor of products like that to pharmacies and department stores.

Brunswick contacted me because they thought we were pretty creative and said, "John, can you sell this goddamn suntan lotion?"

And the head of Piz Buin was named Franz Greiter, a multimillionaire guy from Austria, and Franz came over and we sat down and he told me about his product. In Europe it was like Coppertone.

Franz said, "The American market is huge but I can't seem to get this going." We talked for a while and I said, "Well, let

me get with my creative guys and we'll see what we can come up with." We came up with two things. Radio and outdoor billboards. And we hit Florida, Southern California and Hawaii, those three major markets. I went back to Florida and found a girl with a halfway decent tan--I forget, it was the winter or something when we were doing this thing--and we came up with a billboard, and we dropped her bra. She was laying in the sand and we dropped her bra. She was a really cute little thing. And I forget what our exact ad campaign, our exact words, but the idea was--in those days, this was a biggie, we're going back into the early seventies--Piz Buin in itself was a unique name. We did these crazy radio commercials: a guy coming into the store and saying--and, again, this is thirty-five years ago--"I want some Bees-bee-win." And he was trying to figure out how to pronounce Piz Buin, so you were trying to figure out what the hell are they selling. And of course we just ran them in Florida and California and backed up the billboards. But the billboards hit! And we had like fifty showing, so every place you went you saw this girl with her bra down. And people went tearing into the pharmacies buying Piz Buin. Now, the radio commercials, we had Chuck Lorre do them and they were funny as hell. This poor guy and girl were trying to explain they wanted Piz Buin and finally they figured it out. Anyway, we got him in. We got him in

all the major-- And then I sent out the field force and those guys set up displays in Sav-On [Drug Stores] and the major pharmacies and outlets that sold those kind of products.

SARGENT: So you were able to get a little beachhead, but what happened?

PARKER: I don't know what ever happened to Piz Buin. You're talking almost thirty-five, forty years ago. I don't even know if it is still around. Franz died, I know. Maybe the company was sold to Coppertone or something like that. We had the account up until we sold off the agency, but we got them going. Brunswig, again, were the distributors in the United States.

SARGENT: Now, why didn't--? In thinking about that decision, I mean, here you've got this brand, this name that's impossible for Americans to pronounce. Did you ever think of renaming it?

PARKER: No. It had a great reputation and anybody that ever went to Europe knew it. Piz Buin was actually a mountain in Austria. We thought it was fun and it worked.

Sometimes--yeah, you're right, probably-- Like Leonard Firestone or Brooks Firestone, he's a friend of mine, he is the heir to the Firestone Tire Company, which was sold to Bridgestone. I tried to talk to Brooks-- I said, "God, everybody's going to think of this wine." Because he had

this huge wine-- And they make it and it's well-received. I wondered if we should not use a different name than Firestone, because Firestone has the connotation of tires. And I'm not sure that the connoisseur--and they wanted to make high-end wine, not like Gallo, but something like the cabernet sauvignons and the chardonnays and the things like that. But I couldn't get Brooks off the thing, so I said, "Okay, I'll do Firestone," so I did the design and the campaign to get his wine going. Because they were tied into Suntory. Suntory was the half-owner of the winery and part of the thing. But the Piz Buin hit like gangbusters and won us another campaign award.

SARGENT: So it actually worked, then.

PARKER: Very effective, extremely, sold off the shelves. Cleaned them up.

SARGENT: Incredible.

PARKER: Part of it was just the billboard where the girl wore her bra down. Everybody said, "Whoa!"

SARGENT: Pretty radical.

PARKER: It was then! Timing.

SARGENT: Some great hits.

PARKER: Yeah. We had a lot of them over the years, sure.

SARGENT: It was sort of the Mickey Mantle or the Mark McGuire.

PARKER: Well, we got old Franz going and when we went to

Austria, we got the royal treatment. He picked us up in his big huge Mercedes[-Benz] limo. And, God, he had us staying in this castle that he owned; it had a moat and the whole thing. He was cute. He was a sort of a creative guy. Handsome, handsome Austrian guy. Going with a nineteen-year-old girl, who I think eventually killed him. Beautiful Austrian girl with that beautiful tan skin. But Iris [Landry Parker] and I had a ball with him. But he was designing-- He came up with a cloth that you could get a tan underneath. You could wear the bra and wear the suit and you could get a full tan.

That was his last caper that I saw him--before he died. Anyway, we made him rich in America.

SARGENT: That's good. Here's a question for you: What factors may lead to an entrepreneur getting bored with a given organization over an extended period? Did you ever feel, in your experience--?

PARKER: See, I work for myself. As you are going to work for yourself. So when you get bored with your own organization, it's probably time to retire and go play golf or something.

I've never been bored in my life, I don't think. I've done so many things. I've always been busy; I've always had a bunch of irons in the fire; I sit on four or five boards. So I don't think there's any reason to get bored if you're an entrepreneur, and I've been one for--what?--forty years.



Why would you get bored? I guess the only thing is your health goes bad or something happens to you. There's a friend of mine, I will not use his name, but he was the chairman of two of the largest companies in the United States, and he went into a big depression. Now, he wasn't an entrepreneur.

He was what we call a hired gun, but once he got out of that big chair-- It's like a buddy of mine, he's a four-star [U.S.] Marine general, retired, General Metzler, and I asked him, "Don't you get a little bored now that you're not a four-star Marine general?" He says, "I miss all the people saluting and all the toys: my tanks and my planes and my helicopters.

But I'm not bored!" He's a terrible golfer. He and I play golf at the La Jolla Country Club and I say, "Lou, you should be a better golfer. How come you're not a better golfer?"

He said, "I don't know. I don't have any talent." But he could drink. He could out drink me one scotch to his six, at least. But he never got bored even after he was a four-star Marine general. But my friend, who was the chairman of these two companies, did get bored, went into depression, is now on Prozac. I think a true entrepreneur is born, not made.

SARGENT: Not made.

PARKER: And I told the UCLA M.B.A. group when I was there, the day I did some teaching, I think you either sort of have it in you or you should probably work for somebody. And that

doesn't make you bad, it's just the nature of the beast.

SARGENT: Well, I guess maybe there's a thinking that maybe certain people have these entrepreneurial sparks in them that need to be cultivated, grown and sort of--

PARKER: Well, if you have the spark in you, then it's part of you, but I think the fact is-- Well, you read the little test I gave you. You can't fear failure. You've got to stick to it. My son [John Brian Parker]-- I brought him up as an entrepreneur; he's doing really good. Works too hard, but loves it. He's been sort of my partner over the years. I had him enrolled at Stanford [University Graduate School of Business] because I was close friends with the dean, and then he got married on me. He said, "I'm getting my M.B.A. from you, Dad." Okay. Whatever. [laughs]. I don't--to answer the boredom thing--see why you should get bored as an entrepreneur. Now, I don't think Al [Alfred E. Osborne Jr.] gets bored. He seems to have--

SARGENT: He's got tons to do.

PARKER: If you're an entrepreneur you always have a lot of balls in the air. I do a lot of charitable things. I love sports.

SARGENT: So what do you think?

PARKER: It's going to be tough. The Yankees are sure hitting good. And we're not pitching as good as we were. I don't

know, they're tough, they're a good team. To me, it's like life. It's a tiebreaker. And when you get to that level--I played competitive sports-- You get to that level--and on any given day in tennis I could beat practically everybody--and if you're not a hundred percent--Now, we had some injuries and some problems. Kevin Brown-- He was not feeling good that day he was pitching, and then he got clobbered with the ball. So if you're not a hundred percent and you're pitching against the goddamn Yankees, I mean, you've got a problem. You know what I think? I think it's great we got there. That's a biggie.

SARGENT: I think a lot of people are just happy with that regardless of what happens in that series.

PARKER: I would like to see us win a game or two. But we'll see.

SARGENT: Is this the first one for them?

PARKER: No, we were in the series fourteen years ago, in '84. I think we won one game.

SARGENT: Well, it's good to be back.

PARKER: Yeah.

SARGENT: Back to the list. What influence do reactions of an entrepreneurs' peers have on the entrepreneur and his relations with others?

PARKER: I don't worry about what other people think.

SARGENT: Yeah, exactly.

PARKER: No. Never do. My wife does, but I don't. She worries about what her other girlfriends think or do and all that stuff. But I don't really worry about that at all.

SARGENT: Like you mentioned that you don't really worry too much about stuff. I think that goes with entrepreneurship. If you sit down and worry too much about it, you're not going to be a great entrepreneur. You're sure as hell not going to have a lot of fun at it. I think entrepreneurs have to be a little different and a lot of people don't like difference. They want to be part of the pack.

SARGENT: Yeah, there's a million things that can go wrong.

PARKER: If you worry about the things that are going wrong, you're dead meat, you can just as well forget it. Because you can't think about that.

SARGENT: I think you might have mentioned, yesterday or when we met last summer--

PARKER: But you really got to sort of be unique and do your own thing. Be a little outrageous. A lot of great entrepreneurs. America, I think, is the hotbed of entrepreneurs.

SARGENT: It's interesting that you say that, it's worked for you, you haven't worried a lot about stuff. But Andy [Andrew S.] Grove wrote a whole book, *Only the Paranoid Survive*:

*[How to Exploit Crisis Points That Challenge Every Company]*,  
and that's--

PARKER: Yeah. I don't agree with him on that. But you've got to remember he's running this giant company. And he's still a hired gun.

SARGENT: He started with them, he was employee number three or four or so.

PARKER: Yeah, I guess you could say-- It's not that he's not, because he is, probably one of our greatest executives. But in the true spirit of it, he didn't put his own money on the line. When I put my \$2,000 down, that's all Iris and I had. Our bank account was zero, so my feet were to the fire. And a month later, Brian was born. So we went for it.

SARGENT: [laughs] You really did. Man.

PARKER: So that's sort of biting the bullet. I don't think you can really be truly-- I mean, you want to do due diligence on things and you want to be smart and you want to bring that team of lawyers and CPAs [certified public accountants]. That's one of the first things I'd get is a hell of a good CPA behind you. And I've got Mark Shaim, a good old Bruin.

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SARGENT: Okay, let's see, going down the list, we talked about caring what other people think. In your case what has been your attitude as an entrepreneur towards such managerial activities as organization, staffing, motivation: disdain, joy, other thoughts--?

PARKER: You mean just a personal feeling?

SARGENT: Yeah, the whole, like, as an entrepreneur you know you tend to be more creative--

PARKER: Right.

SARGENT: But what about the everyday administration aspects?

PARKER: Well, I sort of like to take the lead in an organization.

I think it's a joy. I think that my tendency is to have the organization sort of lean and mean, to use the old military kind of term, but I like as small a group that we can possibly have to get the job done and keep everybody-- I think you keep good people motivated by giving them challenges and keeping them busy. The thing that I've seen in business-- Now, here's what happens in the advertising agency business. I'll give you an analogy. You can take a good line account executive-- now, that's the guy that contacts the client all the time-- raise him up to an account supervisor, which may mean he goes out once a month to a client, and the guy gets bored. He starts

drinking and he becomes ineffectual. So I think, "Why do you need an account supervisor?"

SARGENT: Discipline.

PARKER: Well, maybe you do or maybe you don't. I've found that sometimes you can just tell the guy he's the senior account executive and he'll get the money of an account supervisor, but he'll be the guy still calling on the client. I guess what I say--sometimes with a huge account like Datsun, who's \$50, now \$250 or \$300-\$400 million--I guess setting a structure sometimes you've got to watch how you move people around, what positions you put-- Some people can supervise, some people can't. Some people are wonderful one-on-one. They can sit down and sell you this building here even if they don't own, but-- You know what I mean? You will believe them. Some people can get up in front of a group and just have them mesmerized.

So you have all kinds of players and I think the job of the entrepreneur-manager is to make sure that he gets the right people in the right spot. And don't make somebody a supervisor who really is not good at it or is going to get bored at it.

But I saw that happen in my businesses over the years, so I think it's like keeping a violin tuned all the time. You have got to constantly retune it because it can get out of catawampus, and you have to-- Well, it does, too. You know, all of a sudden something's falling through the cracks. And

I think the main thing is to keep your organization as lean as practical. I mean, you don't want to not do the job. You have to do the job. But if you keep your people busy and they feel like this sense of accomplishment, that I think as human beings is essential to our life, then you've done the job. That's the way to build your organization, from that kind of structure. So don't hire somebody until you really think you need them.

SARGENT: Yeah. So it sounds like you really enjoy this-- administration.

PARKER: I loved it. I loved it. If you want to hear a cute story I'd love to--

SARGENT: Sure.

PARKER: Nissan [Motor Corporation] was, you know, a pretty bohunk kind of company for the first years because they were just coming into the U.S. market and learning about our customs and businesses. Of course, they hired a lot of Americans to market and so on like that. But they called in McKinsey [and Company] and they did this structure. You know, you've got a vice president of this, transportation and distribution and blah, blah, blah, and assistant vice president, and manager of this. Well, what they did, they thought that McKinsey meant that we had to go out and hire all these people, so they immediately went out and filled every box in the thing.



And it just was a huge mistake, because they hired, a lot of times, inefficient people. They hired people from American Motors [Corporation], which was not considered one of the great car companies of our time. It might have been before your time, American Motors, but--

SARGENT: Yeah, yeah, I remember it.

PARKER: So we had a lot of these nice guys, but not very smart, not sure what they needed to do. And a lot of them didn't have much to do because the company wasn't that big.

McKinsey had given them a structure for a company that was down the road, maybe five or ten years. And so what happened is that a lot of them-- They had to let a lot of them go and sort of reorganize themselves. So that can happen. I think, again, don't hire somebody until you really feel you need them. And then make sure you hire somebody who is smart and good and motivated, and then try to keep them tuned.

SARGENT: Would you do a lot of planning? One thing they teach us in business school is to plan for the different stages of growth and plan in scenarios.

PARKER: Yeah, we did. Yeah, we did a lot of planning. We did three-year, five-year plans and all that stuff. And, you know, I think we all know there's managers who can run companies of \$200-\$300 million, and then you need to-- Like my friend Don Graib said, you know, they learned with Allstate

[Corporation], they had a lot of different companies they'd buy and get a manager, but when the company got to about a half billion, he couldn't run it anymore. It's just too big for him. He was more manager of what we'd call "small cap" kind of company, or "mid cap." So I think these are things you have to watch out for and, again, keep the violin tuned.

SARGENT: Yeah, yeah. So let's see. What interested you more, organizational structure, or, you know, tuning the violin or the daily organizational activities, in other words, the actual meeting with clients and--?

PARKER: Well, I loved the meeting with the clients. I think I told you the story of-- I'm a pretty good writer and I wrote a lot of the Clio winning commercials and stuff like that.

I loved being an account executive and I loved writing the copy. And I think I told you my creative department came in and grabbed my typewriter that folded out of my desk that I used to write copy and threw it out the window from the fourth floor [laugh].

SARGENT: Why? [laughs]

PARKER: Well, it was cute because we all loved each other and we had great times together. They said, "Look, Boss, we know you're a good writer, but let us do the writing." And I wasn't really trying to, but I always liked to write. So, you know, I would write stuff. And I wouldn't tell them

to run it, but I'd just say, "Well, here's my thoughts on certain things." But that was cute that they did that. That was funny.

SARGENT: [laughs] That's a hell of a rapport you guys have.

PARKER: We had a lot of fun, but the-- I like the action.

I like to interface with people. I don't particularly like the accounting, although I'm pretty good at it. I think the selling is probably something I'm very good at. All the new accounts we got, really, basically, I got. But I like to be where the action is. So the Nissan account I handled personally as the account executive for about ten years.

And the reason being that they didn't want anybody else.

So I got a fraternity brother of mine from UCLA, Ed Denker, who's six-seven and who was sort of cute with these little Japanese. I'm six feet, and you can see the size of those guys. Well, they looked up at Denker and thought he was God.

He had shoulders like that-- So they said, "You're going to hire somebody that can come to our account." And I said, "Yeah." I said, "He's a friend of mine and he's a fraternity brother from UCLA and he's been in the agency business. He's worked for Foote, Cone, and Belding [Worldwide]." And I said, "You know, he's very honest and very smart." But it took a year for me to work him in to where they had confidence that he could do it. I had to give all the presentations

and I slowly fed it to him where he started to do part of it. And then finally I weaned myself out of there.

SARGENT: Wow.

PARKER: So I told them, I said, "The agency head shouldn't be here every day, you know." And they said, "Well, we want you here every day." Well, what are you going to say when a client says that to you? But I do like being where the action is. It's more fun for me anyway. It may not be for everyone.

SARGENT: Being on the street. Being hands-on.

PARKER: Yeah, right. I like that.

SARGENT: A lot of people say that Bill [William H.] Gates [III] is the same way. I mean, he's very much into the products, talking individually about this--

PARKER: Yeah. Sure. And I'd be all over the building. We had these eight floor buildings and I would be sitting down shooting the bull with the media guys or the marketing guys, research guys, art directors, stuff like that.

SARGENT: Management by walking around, as they call it.

PARKER: Yes. Yeah, right. [Yutaka] Katayama did the same thing at Nissan. Whereas the new presidents that have come in just sit up in their ivory tower and never come out of it.

SARGENT: Yeah, so it's important to get that kind of

interaction.

PARKER: Yeah. Go out with the gang to lunch and stuff like that. That's fun.

SARGENT: Yeah. It's good. Plus it makes people feel great when they--

PARKER: Well, I think that probably, again, boils back to what's really important. I think we all like the touchy-feely accolades, "Hey, you're doing a great job. I want you to know I appreciate it." I can say that in a lot of different ways just by coming down and talking to you.

SARGENT: Yeah. I love the time I got presented to Ray [Raymond J.] Lane, who's now the COO [chief operating officer] or president of Oracle [Corporation].

PARKER: Sure.

SARGENT: It's great.

PARKER: Great company, yeah, it's neat.

SARGENT: Great, so it sounds like-- I mean, you sort of summarized that question. It sounds like it was more you like being where the action is, you know, the product, the ads, the salespeople, working with accounts. And then also tuning the violin might have been a close third to those activities.

PARKER: Probably, for me, yeah. But you've got to keep an eye on the violin. You have to watch that little sucker doesn't

get untuned. And in a personal service business it probably is skewed a little, because again, my name was on the door.

And no matter what clients you have they want to know that you're thinking about their account. And there's a little paranoia when you have a huge account like Nissan and then you have, say, even A&W Root Beer [Company] or even some of the other Japanese accounts. I mean, I know Suntory was also teasing me. And Suntory's a huge, huge company. They're not-- They don't have a big presence here, but they're the largest importer of all liquor into Japan. They have contracts with [the] Seagram [Company] and then they have their own distilleries for beers and then they have Suntory whiskey and then they have twenty-two hundred restaurants throughout Japan. But they were always paranoid. They always said, "Oh, Parker-san, you're always so busy with Nissan." I said, "Ah, no, you're my biggest account. What are you talking about?"

You know, I'd tease the hell out of them. And I think I told you I hired a guy named Milt DeBain, who was a former liquor salesman, and he went out and worked restaurants and bars and had girls sampling the places.

SARGENT: Yeah, right, bring in samples.

PARKER: That's how we busted distribution in some of those places. So by getting people to taste the whiskey and stuff like that. We did unique things. Most agencies don't do that

kind of stuff that we did. I don't even know if they do it now, but it worked. It really worked. We had Suntory in damn near every bar in L.A.

SARGENT: Really?

PARKER: Yeah, we really did.

SARGENT: You know, I haven't seen it in the States, but I've seen it in Kuala Lumpur, Malaysia.

PARKER: I know Kuala Lumpur very well.

SARGENT: Yeah, in K.L, they've brought people in, and you're with a bunch of your buddies, who's going to refuse a free drink?

PARKER: You got it.

SARGENT: Served by a--

PARKER: Gorgeous little girl in a low-cut blouse or whatever.

SARGENT: Oh, yeah.

PARKER: Sure, old Milt was not ashamed to do something like that.

SARGENT: So, it's a good way to get people thinking about whatever it is.

PARKER: The product, yeah. Hopefully the product.

SARGENT: Hopefully the product, yeah. [laugh]

PARKER: We'd like to think it would be the product. Milt also liked to drink a little, too. He had one of those red faces with the veins all popping.

SARGENT: Oh, right.

PARKER: Great guy though. I love Milt DeBain. He looked like a liquor salesman. If you go to central casting, and I've cast a lot of people, I'd say, "Milt DeBain, you're it." Isn't that funny I can remember his name.

SARGENT: That's great. Now, was this the guy who would drink a lot and then around noon---

PARKER: No, that was the creative director we hired from Doyle Dane Bernbach [Advertising]. Yeah.

SARGENT: Oh, okay, right. Right, a different guy. Okay.

PARKER: Yeah, he was brilliant till noon, but then he had his four martinis and-- [laughs]

SARGENT: Right off for the rest of the day.

PARKER: Yeah, right off. Catch him before twelve, that was the password.

SARGENT: That was the M.O. [modus operandi].

PARKER: You got it.

SARGENT: All right, so how does the entrepreneur define organizational objectives? And in defining these organizational objectives, how influential is the entrepreneur's own success and achievements?

PARKER: I think they're paramount, really. I think his input and leadership is what make the objectives work. And I think the objectives of an entrepreneur are what does he want. I



mean, money was always, and this is going to sound--and your M.B.A. teachers probably will-- It was serendipity for me. I didn't go into the whole thing to make a huge amount of money.

I just happened to be pretty good at what I did and I happened to be fortunate enough to get a Datsun account, which having one big major account makes you very efficient because it builds a lot. Yeah, right, and everything else. It does support a lot of the other clients. And as a smaller client, sometimes it is smart to take an agency that has a big account, because we were able to hire the best people in the country because of Nissan and those people are available to work on the other accounts. And the Japanese were smart enough to figure that out. Hitachi didn't spend near the amount that Nissan did, nor did Bridgestone [Corporation], or Suntory. So I think the entrepreneur sets the stage. Does he want to be a large international company? Does he want to be a medium-sized company?

And how much stress does the entrepreneur want to bring upon himself, if you call bigness stress, and I don't particularly.

I mean, it depends on the nature of the person.

SARGENT: Okay, so it really all starts at the top.

PARKER: I think he sets the stage. How big does the stage [need to] be? Well, he can call the shots, right. Like my guys used to tease me. Some of the gals-- We had the prettiest-- We had seventy, really, movie stars there. They said, "One thing about

your life, John"--and then they'd say it, teasingly--"it's not complicated." Because I had Torrance Nissan, I had a Mercedes[-Benz] and Volvo [Car Corporation] and Mazda [Motor Corporation] dealership, and I had Easy-Rest reclining chairs and I had Parker Industries, that did all of the mailings for all of our clients including Nissan. Then I had all this real estate. I was always putting buildings all over L.A. So I had all these walls going up-- [laughs]. But anyway, it wasn't stressful to me.

SARGENT: That's great. Well, if you have the right-- If you keep the violin tuned.

PARKER: And I had a great wife.

SARGENT: And a great wife?

PARKER: Great wife, great wife, yeah, absolutely great wife.

SARGENT: That's great.

PARKER: She had all the clients wrapped around her finger, so they loved her to death.

SARGENT: Yeah, that's great.

PARKER: Katayama said she was his closest friend on this earth, you know. He just loved her.

SARGENT: That's great.

PARKER: Yeah, that helps. Get a good mate.

SARGENT: Yeah, got to do that.

PARKER: Yeah, put that on your list.

SARGENT: I'll put it on my list.

PARKER: Write that on there.

SARGENT: "Get a wife."

PARKER: Get a wife, by--

SARGENT: Let's see that's due-- When's that due?

PARKER: Well, you got twenty minutes, Al.

SARGENT: Well, okay, we'll start hunting.

PARKER: Get on the phone here. [laughs]

SARGENT: [laughs] Yeah, all right, let's see. How have you dealt with key executives who disagree with your position?

PARKER: Well, you know, surprising as it may seem, I don't care if a person doesn't agree with me, because they may be the right person--right in what they're saying, thinking, doing.

And if they are-- I'm trying to think of an incident where-- Well, maybe next time we get together I'll think of some areas, because there are areas that you're going to have disagreements.

And I think this is where it comes into leadership, where you have to let your ego go and listen to the other person and let them dictate the way, or whatever it may be, the method, the program, the campaign. I'm trying to think of some instances where-- And there were instances where I didn't agree. I mean, you know, in the agency business we're all highly educated, we're all fairly wealthy. And the demographics of our creative department-- We've all got, you know-- I have a Rolls-Royce

in the parking lot and they've all got beamers [BMW automobiles] or whatever. We're not the market. We're creating advertising to a demographic group that we're not even a part of in most cases. You know, the products were selling. So a lot of times I would say, "Shit, what's our opinion? We don't know." Well, yes we do, because of the research and a lot of stuff we got, but when it comes to the short strokes we're really not the target audience.

SARGENT: It's not first person. It's more of a second person type of thing.

PARKER: It's second person through information and knowledge and, you know, what is the guy sitting there drinking beer--?

SARGENT: Yeah, Joe Sixpack.

PARKER: He's got a sixpack there and that's the guy, you know, we're trying to reach and talk to.

SARGENT: But, now, you had focus groups?

PARKER: Oh man, we had the whole thing. We had the "Parker players." We could shoot a commercial and we had huge studios inside there.

SARGENT: Oh, really.

PARKER: I tell you our conference room was almost as long as this goddamn building. It was, like, we had projectors, we had thirty-five millimeters, sixteen millimeter, sound equipment, stages.

SARGENT: So, you'd shoot your own ads.

PARKER: Oh, yeah--"Parker players"--sometimes we'd just grab staff, a couple of staff members and shoot them.

SARGENT: Wow.

PARKER: Yeah.

SARGENT: And you could hold focus groups and it was a whole sort of self-contained--

PARKER: Yeah, we did.

SARGENT: That's incredible.

PARKER: Yeah.

SARGENT: You think of it just as people at desks working out storyboards, but, yeah, obviously you need big physical infrastructure.

PARKER: Yeah, we had the whole big kit and caboodle there.

The focus groups are good, but then once in a while you have got to-- That's the thing I think you and I talked about before.

SARGENT: Yeah, that's right.

PARKER: You can research so much that you're going to come with something that's really going to be as dull as rain.

And there are certain concepts that don't research well.

And I can't think of an example right now. I don't think the Allstate, where I had the egg fall off the table, would have been researched. I didn't even research it. This was done by my friend from Doyle Dane Bernbach, before noon.

And again it was a brilliant commercial. It was an all-hands thing that caught the egg. When I'd see that come on TV it just riveted your eyes. I mean you saw that egg and you went, "Oh, shit." And then you just said, "Allstate."

SARGENT: "You're in good hands."

PARKER: Yeah, "you're in good hands." I mean what else do you need to say? You put your money where it's safe. And man, we filled up the Allstate branches.

SARGENT: What's your favorite ad right now? Macintosh ads or the, you know, anything--?

PARKER: I'm trying to think. You know what's funny, I don't even know if I have a favorite right now, Al. I can't think of anything that really pops into my mind. Do you have some you like?

SARGENT: Oh, I like, yeah, the Apple [Computer] ads are interesting.

PARKER: They're good. They sure made a turnaround.

SARGENT: Yeah.

PARKER: Now there's a good company that's come back and now is on the profit side.

SARGENT: Yeah, they're doing well. They're doing well. Well, their role model in the industry is Dell [Computer Corporation], so they've got this sexy brand, which Dell doesn't have. I mean, Dell's not sexy, but they're moving more and more

of their back office operations to Dell, which is just about the most profitable company.

PARKER: It is.

SARGENT: And so they're doing some smart things. And they just got to keep the R and D [research and development] cranking away to keep coming out with good products. But, yeah, advertising is the first thing they did to sort of lead the turnaround.

PARKER: Well, they got their former founder [Steven P. Jobs] back in there.

SARGENT: It's funny. I guess he knows what to do.

PARKER: It sounds like he's put a team together that's making it work.

SARGENT: Yeah, he is.

PARKER: That's nice, because Apple really was a pioneer, and it's fun to see a pioneer survive, because sometimes pioneers don't make it. But Michael Dell runs a hell of a company.

SARGENT: Yeah, he does.

PARKER: Man, that stock is awesome.

SARGENT: Well, you know, in all these guys, and maybe this is a good question to ask you, is that-- You know, you look at Bill Gates, Michael Dell, Steve Jobs, all these people really know their products. They kind of sort of almost have a sixth sense that other managers don't seem to have for whatever

reason. And do you think that's a really important job, is to have a really good sort of intrinsic knowledge of product and customer?

PARKER: That's absolutely paramount, I think, really. That's sort of where it comes from.

SARGENT: And both? I mean, can you get by with just product or just customer?

PARKER: I think you've got to have both. I think you've got to know who, why, where, when people want to buy your product.

I think Michael Dell's got a good handle on what he is. And I think he stays within that framework. He doesn't seem to get too speculative on it. He seems to do a really good job.

SARGENT: I think so too. It's funny that Dell's strength is in operations, in terms of how do you build the things.

PARKER: It is.

SARGENT: You can almost see it going back to when he was in the dorm room building computers. I mean, he knows how to plug them all together and kind of do it efficiently, and that's funny too, how the company almost becomes a mirror of the entrepreneurs.

PARKER: It does, yeah. He sets the stage.

SARGENT: Did that happen at your company, where sort of like, you know, here's John Parker and here's John Parker sort of



magnified through Parker Industries, sort of your personality and your culture?

PARKER: I think so, sure. I think, you know, the type of people at Parker were all sort of similar in a way. We all had a lot of UCLA fraternity brothers and stuff like that. We were very good at what we did, but we had a lot of fun. We really had a tendency to party a lot.

SARGENT: So you had fun while you were doing it. That's great.

PARKER: We really did. We had some awesome parties, I have to say.

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SARGENT: So, I guess the first question is--

PARKER: Balance process innovation with product innovation.

SARGENT: Right. Looking back, how have you done it and how necessary do you think it is for an entrepreneurial organization?

PARKER: Well, basically, as you know, I've been more in the service industry than the product industry.

SARGENT: Yeah, but were there any service innovations, though?

PARKER: There's a lot of service-- You can always improve the kind of service you give to clients. I think the most important thing, again, is to find out who the consumer is and what the heck he wants and if he can afford it, and target your service to that. So much of our business is either in the automobile business, which is predetermined by the factory and the type of cars they give you and-- What are they looking for?

SARGENT: I guess what maybe they're more looking for is-- You did some really innovative things like the "Datsun Saves" campaign or "You're in good hands with Allstate [Corporation]" and those were service innovations--the creativity--and sort of taking this question and putting it into the mold of your company: How much did you really aim to have a lot of creativity

running around the office and how much did you try to run a tight ship where everything was in order?

PARKER: Well, in an advertising agency you've got to have creativity, Al, or your ads are going to be ignored, so it doesn't mean you can't run a tight ship, get the star kind of people who can create brilliant advertising, and we were able to do that. I think I told you in the last interview that we went around the country and even the world to find people who were good in certain areas, so wherever we had to go we went to try to bring innovative advertising in order to sell the products. Now, we had a lot of disadvantages because, first of all, we were much smaller than Detroit and we had less money to spend. We didn't have as huge a dealer organization and service parts and the whole thing that they had, but we were able to bring products of economy and durability and reliability and some innovation--particularly in the [240] Z car. As I told you, that was sort of the flagship that brought in the other passenger cars. And of course our little truck we called the "little hustler"--that was innovative.

We spent a lot of time really promoting that. I think the innovation comes-- In a way, we created the small-truck market in the 1960s. I have hundreds of ads I did showing a second car with a big trunk, and we had all kinds of funny things that we did to the truck. We had a TV commercial called

"Transformation," where the truck's in a garage and the scientists come in and you hear these explosions and all that, and out comes this truck with the big chrome wheels and the wide tires and the stripes looking like flames on the sides of the car. And so we had dealers make up cars like that in order to show what you could do with a truck. It could deliver newspapers, it could help you as a home do-it-yourselfer, it could be used in your businesses because it got great gas mileage, like thirty-nine miles to a gallon. It never broke down, that four-banger [cylinder] just kept going, it could go two or three hundred thousand miles without lifting the heads. It had all the things you looked for in transportation.

SARGENT: That's great.

PARKER: So, again, we sort of created that market. It wasn't there before. The other trucks were half-tons, stuff like that. They were big hummers. They were hard to repair, they were expensive to repair, and they got lousy gas mileage.

SARGENT: So you really filled a certain niche.

PARKER: We did, yeah.

SARGENT: Were there any kind of factors that you'd look at to determine the balance-- In other words, thinking of a ratio of having this x number of creative staff as a percentage of the whole staff or anything that you looked at to manage that? Keep it in balance?

PARKER: Again, my theory is to have people that are productive and not a lot of supervisors supervising people. So we had people who basically were writers, art directors, and not a lot of senior supervisors-art directors overlooking. I was probably it.

SARGENT: So, pretty flat.

PARKER: Yeah, we kept it very flat. We had people that could do pretty much everything, which is me. I could produce, write, direct, do the whole nine yards.

SARGENT: You were it. Great. Well, now going to decision making, there's a whole bunch of questions here that talk about that. How did you go about making decisions in Parker Industries and then also other businesses as well? Were there any certain rules that you followed or how much were you more of a consultative-type person, where you take people's input or let them just kind of do their own thing, or how much were you sort of saying, "This is the way we have to do it"? Or did it depend on the circumstances?

PARKER: Normally, we took the ball in our hands and set up the plan. With each client we'd have pretty much a yearly advertising, marketing, public relations--depending on the type of client--if we were doing all three phases. Definitely, we had to get input from the clients. For example, if Bridgestone [Corporation] says, "We've got two new radial

tires coming in and they're going to give us fifty thousand miles blah, blah, blah, and they stop on a dime and there's no weather problems," we say, "Well, you've got a silver bullet here." So we would get all the input from them and then if necessary we would go to Japan and see the testing to make sure that was all correct and then we would put that into a plan--and the plan always is determined on the budget they're going to have or they're going to allow you. And sometimes, in the case of the Japanese, you had to fight them a little bit to get them to up it because they were not used to--in the sixties, anyway, it got better in the seventies and eighties--but they were not used to spending large percentages of their gross sales on advertising, so we had to teach them that the United States is a huge country. We've got to reach these top fifty markets. We've got to get in there and get the dealers to spend some bucks and get the consumer to know what we got and where we are and come and buy our product.

We did a very comprehensive plan based on a lot of research and knowledge and, again, the Parker field force. For example with Hitachi or Bridgestone or Nissan [Motor Corporation] or any of the clients, we would get our field guys to go out and make surveys and tell us what the market conditions were.

Sometimes a market can be down when the whole country is up. It can be one type of business that is controlling in

that market. For example, if Boeing [Company], up in Seattle, had a bad year and laid off thirty-eight, or forty thousand people, all of Seattle would be affected. There's a lot of subs [subcontractors] that provide materials to Boeing and so on like that. The thing we can do is adjust to those market conditions. So we knew how to do that.

SARGENT: With the Parker field force?

PARKER: Right. They would give us the input. And they had their own presentation they would make to the client sometimes.

The head of our field force is a real sharp guy and he would tell the client some things and they worked with the client's regional and district offices, which was very helpful, so that the advertising would have all these layers working together. But our plans were very comprehensive. They were volumes of written material and volumes of creative stuff.

SARGENT: So it sounds like you always trusted your researchers or your Parker field force.

PARKER: Yeah, we had to.

SARGENT: Just like you said, get smart people, turn them loose, trust their decisions.

PARKER: You've got it. And then go for it. And then constantly monitor what's going on. Product problems. Product can come out and not be as good as we thought it was going to be. And dealing with a foreign manufacturer you always had the

shipping problems of getting the product here on time. See, we did all the collateral material for all the dealers. The tire dealers, Hitachi dealers, Nissan dealers. And we had to get the catalogs, the posters, in-store things like that, all set up before the campaign hit. A lot of times we went in and trained the salesmen with the dealers. We'd have meetings.

SARGENT: Oh, really?

PARKER: Oh, yeah. We would tell them about the product and do a lot of that stuff. Now, normally, that would be done by the factory. In the sixties and seventies, we did it because we were able to do it and capable of doing it and had the people to do it.

SARGENT: Well, it makes sense because then your direct sales is aligned with your marketing and advertising.

PARKER: Right. And then it all sort of hit. You've got your national umbrella--we had like the NFL [National Football League]--

SARGENT: Does that make you the head coach? [laughs]

PARKER: Not really, but I knew everybody. The network TV buys-- You know, like you'd buy *60 Minutes* or whatever else.

Usually with Nissan and with many of the other clients we'd have a big meeting before the year started and introduce the campaign. It would be a multimedia thing. We'd have sixteen



millimeter, thirty-five millimeter stuff and we'd put on this giant thing for the dealers. Sometimes we'd do it regionally and sometimes we'd have a big huge national meeting. So we exposed the dealers so they're familiar with the campaign and then get all the materials out to them and then hit with the national stuff and regional and then they would receive kits with newspaper mattes, radio scripts and actual radio tapes, and also they could order films that they could run on TV themselves.

SARGENT: Sounds good.

PARKER: So it was a coordinated thing.

SARGENT: The metaphor I have in my mind is almost a conductor in a symphony. I mean, everybody's participating--

PARKER: Right. Great lines of communication, everybody knows what the drill is, so I think that's the key.

SARGENT: Here's another question, which is interesting. Stepping from being a manager to being an investor, how do you make the decisions to invest in a business or to even purchase a business outright?

PARKER: That's a tough one. I think it's really important that you invest in businesses that you know about personally and that you understand, and also I think it's sort of neat if you like it. The car business I knew so I had no problem buying Mercedes[-Benz] and Volvo [Car Corporation] and Mazda

[Motor Corporation] and Nissan dealerships, because I knew how they worked and I knew what it took to make them work, and also I had experienced partners who had run dealerships for multi-years. So when we sold to [H. Wayne] Huizenga--to Republic [Industries]--we got \$170 million for the dealerships.

SARGENT: Wow! Not bad.

PARKER: That's a nice check for a couple guys.

SARGENT: That pays lunch. [laughs]

PARKER: Plus the fact that we'd been drawing millions each a year out of the business for twenty-five years.

SARGENT: Wow. Good stuff. And Huizenga is--?

PARKER: Republic. He buys up the dealerships and he's got a national corporation.

SARGENT: Great. Moving on here, how attractive is the possibility of very large rewards as well as very large losses?

PARKER: Well, there's always a chance for losses but I don't think [you] need to have losses if you run the business right.

I've really never had what you would call a "loser." I think I started, when I talked to you-- You need a good attorney, and I've had the same guy for life, and a brilliant CPA firm and guy. My CPA is a UCLA graduate, Clay [J. Clayburn] La Force was his economics instructor, as a matter of fact, and he's an M.B.A., too. But I think that team will keep you on track if they see things that are-- First of all they look

at--talking about looking at new businesses--the businesses and also I have another lawyer, who is more of an investment lawyer, Lew [Lewis] Silverberg, who's from UCLA, got his law degree there. So I put these guys together and I propose that I buy *San Diego* magazine. And they say, "Why do you want to buy that?" And I said, "I don't know. I just think it might be a good idea. I do advertising; I own the major radio station here in town, so that might be a fun project."

And they'll beat me up on it or we'll just talk about it.

So after you get all through you can see the goods and bads of it. The magazine business is a tough business by nature; a lot of them go broke or eventually competition rears its ugly head and you're forced out of business. So I get my team together and we do this often. Here, we've had probably thirty or forty meetings on various businesses. So when you get these minds all together, they have certain issues that they look at. The accounting guys says, "What are the percentages on this thing? How do we make money? How long is it going to take us? If we put \$2 million into this thing, when do we start getting it back? Is it going to be a year?" You're going to look at that when you start your own business.

SARGENT: Yeah. Break even.

PARKER: If you're putting, what did you say, \$200,000?

SARGENT: Yeah, seed capital, first round is \$500,000.

PARKER: Yeah. So you want to know when you're going to get that back, right?

SARGENT: Yeah.

PARKER: You've got investors to pay off; they're going to be breathing down your neck. So I think all of those issues have to be-- You know, the other most important thing, too, Al, is how are you emotionally? Can you take the heat, you know? How much stress can you handle, personally? Do you need partners? If you don't need partners, it's probably better. But if you do, for either help financially and in terms of knowledge of the business, you may be technical and the other person may be marketing or whatever-- I think that determines a lot what you can do or can't do. I mean, I could have probably built something really huge if I had wanted to give up a family and a lifestyle and so on like that, live back in New York, done some of those things. But I chose to live in California and live a different kind of life. So it's a lifestyle you may-- Do you want to work sixty hours a week or do you want to take high risks or do you want to take minimum risks and sort of hedge your bet? But whatever you do, I think you should try to avoid losing money and, fortunately, I've never really lost any.

SARGENT: If I can almost summarize: take big bets but work really hard to make sure that the downside risks are covered.

PARKER: They've got to be covered. You shouldn't take risks that cause you losses. You may have a quarterly loss but you've got to keep making profits. Occasionally, you have to cut payroll, pull in your horns. That's where your accountant and you stay tight together, watching costs, watching markets change. Sometimes a product becomes-- We get some dud cars from the factory and you get stuck with that stuff. So there's all kinds of-- You just have to keep on your toes. I don't think there's

any real reason that a good manager or an entrepreneur should ever lose money. I really don't, if you stay on top of it.

In the car business, Mercedes has always knocked out good cars. So, hell's bells, you never have any trouble selling them. Nissan has a good line. It's not as good as it was back in the sixties and seventies or eighties, but--

SARGENT: So you really try to stick to quality products and figure with that kind of a foundation you can make something happen.

PARKER: Yeah.

SARGENT: Great. Here's a question that's very similar: Are you attracted to investments and activities with very large rewards and limited losses? In other words, high upside, minimal downside?

PARKER: Well, that's hard to find. I think the larger the reward,

the bigger the risk. They probably taught you that in graduate school.

SARGENT: They sure have.

PARKER: I like starting comparatively small and building the business up, time to really get a feel for it. It's just like Ryan Leaf, our quarterback. They threw the poor guy in from Washington State [University] and now they're pulling him out and putting our second-string quarterback in. But he never got a chance to really learn how to be an NFL quarterback. I think a year or two looking at a business, you really understand the problems and the market quirks. Each product or business has those things, so if you start with a minimal investment in a group, but a smart, good group, then you can build that sucker up and expand it, which we did with Parker Advertising [later called Parker Industries], built it to a pretty large agency at it's time. And the rewards can be there. They're there. The money has always been serendipity to me; it sort of occurs, if you do it right.

SARGENT: Great. What kind of formal and elaborate assessment of the probabilities of different magnitudes of profits and losses do you make? Is it more of a gut feeling thing or is it a big analysis?

PARKER: Well, again, we do some fairly comprehensive things. Our CPAs and stuff put together proposals which show if you

do \$5 million in sales, your probability will be this and if you do \$10 [million], it will be that. And you can analyze all those things. We do do comprehensive analysis of the numbers, but numbers are only things on paper. It's the action out in the market that's really going to determine what's going to happen. But I think it's important to look at all those things because that gives you the guideline on how to run the business and also how to staff it.

SARGENT: So you definitely do some stuff like that.

PARKER: We do a lot. Our plans are very comprehensive.

SARGENT: We were talking about formal and elaborate assessment of investments. Are there any sort of favorites that you have that you look at for assessing a business? Favorite ratios or decision markers?

PARKER: You know, each business is so different, Al, it's hard to have a favorite. I think certainly you want a business with low risk and brilliant profits. I mean, the radio business has very high profits, but now the cost of radio is so high that it's hard to get in the game. When I first bought, it was comparatively low. A lot of times timing is extremely important in the type of business you're buying. For example, I've been trying to buy AOL [America Online], Yahoo! and Amazon.com and Excite and Lycos and they're going up seven, ten points a day.

SARGENT: Wow! We're back in the bull market.

PARKER: We're back in the bull market and the techs-- That's for sure. And the Internet. So we've got a little war chest of \$3 or \$4 million that's sitting there. I was talking to the Brown Brothers Harriman [and Company] and we don't want to buy at the all-time high and then watch it hop on down, so we're sort of keeping our eyes peeled.

SARGENT: What do you think is going to happen with the market? Do you think it's going to keep soaring upwards?

PARKER: I think there's a lot of factors in the world--are we going to support countries like Brazil, that are in trouble?--and I think those fears-- Japan is still a major problem.

I think they have got to get their economy back and their banking system back and maybe take some harder hits than they have taken.

But I think, you know, we set up some international banking situations to help countries that are in trouble and that alleviates Wall Street fears. You've got to remember that our businesses have loans to those countries and also they do business with them. So there's trade back-- I guess you have to understand-- The thing you have to understand is that we're a world market now. And even Russia, who is only like 1 percent of our business, or less than that, it's still important that their economy keep going. We don't want to have them go down. So my sense is that the market is going to continue to go up.



I don't think it will go up as much this year and next year and the next few years as it has in '95, '96 and '97. But I think we're looking still-- I don't see any sign of a bear. We have low interest rates and we have good profits. I mean, everybody's reporting earnings for this last third quarter higher than the forecasted.

SARGENT: Wow! Everyone's beating estimates.

PARKER: You got it. The other day, I think I told you this.

When Ed [Edward] Ogle was in here, I bought roughly ten thousand shares of Dell [Computer Corporation] at forty and it's seventy-two today.

SARGENT: Wow! [laughs]

PARKER: Multiply thirty-two times ten. I just made \$300,000, just by a phone call. We were sitting here like this and I said, "Buy it."

SARGENT: Yeah, not bad.

PARKER: It works.

SARGENT: All in a day's work.

PARKER: But you've got to have the money to do it.

SARGENT: You have [to have] the leverage.

PARKER: Yeah.

SARGENT: That's the hard thing, actually, is when you're in school, the irony is that you learn a lot about business and how to evaluate businesses but you really don't have a lot of

time to pay attention to the pulse of the market and who's going up, who's going down, just because it takes the discipline of minutes or hours a day. But hopefully it's good learning--all the stuff we're learning. All the financial models--

PARKER: It's excellent. You can't beat it. But there's also nothing like getting into the battle, in a way.

SARGENT: Right. Being a player.

PARKER: Which I'm sure you'll have no problem-- Well, you've already been a player. You've worked for Oracle [Corporation] and so on like that, great companies, so you've seen the cut of their jib and I'm sure you've learned a lot about that. But the risk-reward ratio is how much you can take or how much do you want to take, how big do you want to be? Now, my son [John Brian Parker]'s got a business doing a million-plus in computer services and so on like that. I think he would like to get it up to \$5 million or so, but I think he would be happy with that once he gets it to there.

SARGENT: Well, \$100 million, if he were an Internet company, he'd be virtually Bill [William H.] Gates [III].

PARKER: Well, I don't think so. [laughs]

SARGENT: I think that's more than Amazon, anyway, or close to it.

PARKER: It's so funny that so many of those companies aren't making any money. They've yet to show a profit. AOL is finally

showing a profit.

SARGENT: All the VCs [venture capitalists] are all saying, "We'll worry about profits later." Their intention is to spend so much on marketing. It's like radio, when you got involved. Right now, there's no barriers, but as soon as people get big, they'll establish barriers, and it will be like radio today. Again, this is sort of the risk theme, risk and reward and decision making: To what extent are projects you undertake such that it is difficult to specify what the probabilities are of different amounts of profit or losses? In other words, do you find that most of the projects you undertake have unspecified probabilities for upside or downside?

PARKER: I think every business that I've gone in we've been able to really analyze pretty much down to the nubbin what the profit should be if you do it right. It's not that you can't make a mistake on your forecast, because you do. But it's pretty easy to forecast--it was in the advertising agency business--because one thing good about the agency business is, for example, we know that Nissan is going to spend \$50 million this year, Hitachi is going to spend \$10 million, Bridgestone is going to spend \$5 [million], whatever, so we pretty much know all the issues, how much is going to be production, how much is going to media, how much will be PR [public relations] fees, so you can really pretty well lay that sucker out. And

you can almost say, "We're going to make \$6 million this year."

And you'll probably come pretty close unless you lose the account. Or the other side is you get another big account.

SARGENT: So when you know your market, when you've segmented it, analyzed the major players and so forth, you can really quantify.

PARKER: You can quantify. There's no reason why you can't.

SARGENT: I think that what this is getting at is that there's some sort of image or stereotype--maybe it's justified, maybe it's not, I'm not sure--of, sort of, the entrepreneurial cowboy who just comes in, doesn't care about huge potential for risk--

PARKER: You know who he is? He's the guy who's using somebody else's money. I think one thing you have to think about, Al, and I don't know how your finances are, is any partners you get in there they should have their own money.

I call it their "feet to the fire." If you get the guy who says, "Well, I'm brilliant and I'll do all these wonderful things for you, but I don't have any money, but I want you to give me 25 percent of the business," I don't think you have his full attention. I think he needs to mortgage the house and do whatever it takes to make it in there and make it happen. And I've seen cases like that. I haven't been a party to some, but a lot of my friends they do get a cowboy in there, and he also would have the tendency-- What's he

got to lose? He can throw everybody else's money around. Hopefully he has good character, but everybody is not that great. And they end up blowing the thing and they walk away and you're paying off the bank for the next five years. So that do happen.

SARGENT: How do you look on an environment that offers projects associated with uncertainty? Again, this is pretty related, but do you try to reduce the uncertainty or does the uncertainty offer a degree of tension that heightens the desire to initiate, continue, or go on to something else that's not as risky?

PARKER: If a project really has a high degree of uncertainty, I wouldn't go in it. Period. Let's put it this way: I started with \$2,000 and that was it--never borrowed from the bank in my life. So why would I go into something that's uncertain?

There's no need for it. And in the service kind of businesses that I've been in, you can only spread your day into twenty-four hours, so you only have so much time you can devote.

Particularly in the advertising agency business, you're the man. Even though you may have a huge agency, when it's Parker Advertising, your name is on the door, everybody wants a piece of you. You can only give them so much time. Uncertainty, to go into business-- Like I told you, I was in the real estate business and I had my own staff, architects and builders and so on like that. And they were German and worked for me for

thirty some years. We knew what we were doing and they were really buttoned-up. We bought land on Western Boulevard, acres of it, and put up huge industrial buildings. We got the stuff for ninety cents a square foot and put up buildings for \$10 a square foot. We rented them to Garrett Corp[oration] and some triple-rated companies and then sold them for \$150 a square foot fifteen years later.

SARGENT: Wow, just a money machine.

PARKER: Oh, man, yeah. But we built them for cash, we had no loans.

SARGENT: Right, with money from the advertising agency.

PARKER: And if we wanted to build more, sometimes we would put a little loan on them and use that cash to build other buildings. But there wasn't a great degree of risk in that.

SARGENT: Not much leverage. Right. How do you look upon activities that are routine, involve repetition and predictable processes and consequences?

PARKER: Give me an example of something you're thinking of.

SARGENT: You know, working for a big Fortune 500 kind of firm, would that be like-- If you were to go back in the fifties or sixties, did you ever think about working for, let's say, advertising for an IBM [International Business Machines] or an AT&T [Corporation], "Ma Bell"?

PARKER: I was offered a job with IBM out of UCLA and I turned

it down. And I personally don't prefer working for a big company. And it's not that there's anything bad about it, but I'm not that much of a political animal, and I saw enough politics going on with my various clients to realize that sometimes the good guys don't always rise to the top. The guy who is the better politician sometimes does. Sometimes really good people get clobbered and thrown out of the company.

I prefer to do it myself or work for a small company. And [in] a small company, I think you're able to have more fun and I think you're able to do more with the least amount of politics.

SARGENT: How do you--this is a very general question--but how do you acquire information? You mentioned talking about doing all your research-- Part of it was your staff, as you mentioned this great staff that you assembled--

PARKER: Again, like I told you, one of the reasons for the Parker field force was that those guys--we were always firing surveys off to them. And, for example, we got A&W [Root Beer Company]. At that time, when we got them, this was a number of years ago, they had twenty-two hundred franchisees around the country. So we would go into the market and survey the competition, McDonald's [Corporation] and whoever the hell else it is, and try to figure out what they were doing and what we could do to increase traffic into our stores. We had

the drive-in feature and plus we had great root beer. And--  
What do they call it?

SARGENT: The root beer float?

PARKER: Yeah. "A&W Root Beer: That Frosty Mug Taste" was ours. So we used for direct and quick research-- I could, Friday, give it to my guys and say, "Work on the weekend and give it to me Monday." So we got a lot of that. Plus, as you know, in your studies, there's just tons of research stuff available. There's *Thomas [Register of American Manufacturers]*, there's on and on. You can learn what's happening.

SARGENT: So many databases, it's incredible. Who would you say acquires more information before making the decisions? Would you say it's a manager in a Fortune 500 firm or would you say it's more [that] an entrepreneur would acquire more information before making a decision?

PARKER: That's a good question.

SARGENT: Ha! Finally we ask one, after three times!

PARKER: Who dreamed these up, Al [Alfred E. Osborne Jr.]?

SARGENT: I think these are Big Al's, primarily.

PARKER: I think it's a funny thing, but I would give the entrepreneur the go on that one. I think a good entrepreneur is going to get more accurate and more specific. A corporate kind of thing has a tendency to get a lot of what we called "eyewash." I don't know if you've ever heard that term?



SARGENT: Eyewash? No, I never have.

PARKER: There's a lot of paperwork that doesn't say a lot, but it's thick and looks great and you can bring it into the senior vice president of marketing and he can be impressed with you, but after you read it all over there's not a hell of a lot of real substance to it. I think the entrepreneur cuts to the chase, gets rid of all the eyewash, and really gets to what you really need to know. Is the market solid? Is it growing, decreasing? Is the product colored right? Right size, right whatever. So he can make a decision whether to go or not to go. So I would say the entrepreneur--

SARGENT: And, like you said, his feet are to the fire; he's got his own money in. Or if he is using other people's money, that's a lot of pressure to have a big investment and investors to please and all that. Which of your skills and abilities are most important in changing events to your favor and, on the other hand, how influential are outside forces to success?

PARKER: That's a big question.

SARGENT: We'll ask the meaning of the universe, the next question after that.

PARKER: Meaning of life! [laughs] I think, really, like I said when I lectured in classes up there a couple of times, I think an entrepreneur is born. I think he's got in him the spirit of entrepreneurship and I think that generally

he's smart enough to gather around him a good staff and lead them.

SARGENT: So, leadership and--?

PARKER: Leadership and inspiration and also making it fun.

Like I told you, we had tons of parties all the time. And the outside forces that can occur can be horrendous. For example, say a factory blew up in Japan and they couldn't ship us any cars for four months. What do we do about that?

We figure something out. I'll tell you what we would do immediately. I can give you an answer real quick. And we've done it before because we've had situations similar to that.

We get them into the used car business real fast. Because a used car business-- [At] Torrance Nissan, we did about a hundred and some million a year, and about 60 percent of that were used cars and they were really profitable. We had Walt, the same used car guy, for thirty years. [If] you don't have any good new cars to sell, you sell used cars. And you get out to the wholesale market at six every morning in L.A. and buy up those little jewels and bring them back and paint them and fix them up and put them out on the lot and sell them.

So that's how you do it.

SARGENT: So you have backup plans.

PARKER: Always. You've got to.

SARGENT: And you're flexible and you think quickly and--?

When this, whatever happened, the factory blew up or--?

PARKER: Yeah.

SARGENT: It was that? Okay. Must have been a hell of an explosion. But did you already have the backup plan or did you kind of just get the phone call or telegram or fax or whatever--?

PARKER: No, we just--

SARGENT: Decided right then and there?

PARKER: You got it, right.

SARGENT: So, think on your feet? And then there must be other skills as well, I mean, sales-- You must have been a really good salesman to get accounts and so forth?

PARKER: Yeah, sure. Again, I think you always have to have alternative plans. In the car business, again, you're not going to always get the right model cars or the right model mix and all dealers suffer from that kind of thing.

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PARKER: Bring all your customers in for a complete service checkup and that can create income.

SARGENT: So just different revenue strains off of your customer base? Yeah. So what elements--moving on to "approach to environment and effects of the environment"--in the environment encourage and promote entrepreneurship? Could be family environment or general business--?

PARKER: I think that's critical. That's why I'm going to have to get you married, Big Al. [laughs] For a man, I think it is to have a really good mate-- I think it really helps.

I had the best. So I think that you, with support--mine was very active in the business and was loved by [Yutaka] Katayama and all the clients and just charmed the hell out of them.

Katayama said that Iris was one of the most important people in his life. He just loved her to death. In fact, it was sort of a weird thing. She was in Casa Palmera her last year and he sent her this huge orchid, it must have cost \$500, and she had it in her room and the day she died, the orchid went kapung.

SARGENT: Is that right?

PARKER: And I went, "Whoa, this is really weird."

SARGENT: That's a coincidence.

PARKER: Isn't that weird? But I think it's really important to have a stable, positive-- I think particularly an entrepreneur. If he doesn't have-- And Al's got a great wife.

Hear that, Al? [laughs] Husband's a little marginal, but great wife. [laughs] Anyway, I think a stable family life is really critical. If you come home to a wife who's yelling and screaming at you because you're late and you've got emotional upheaval at home, it's pretty hard to go out there and fight the battle. You come back on your shield with spears in your chest and stuff like that, you need a little nurturing and recharging and stuff like that. So I was fortunate in that area, and I think it's critical to be successful, unless you want to die at thirty-nine of a heart attack. That's not a great idea, you don't want to do that, Al.

SARGENT: No, I don't want to do that.

PARKER: But I think a stable family is critical to be successful.

SARGENT: What about any other factors, friends, general environment?

PARKER: I think just a balanced life. I think community service is good. I was the president of L.A. Rotary; I was the governor of the Four A's [American Association of Advertising Agencies]; I founded the Music Center [of Los Angeles County] with Buffy [Dorothy Buffum] Chandler and a

bunch of other wealthy L.A. people. And founded the community arts center in Palos Verdes [Palos Verdes Art Center], where we lived. And I was the president of the [Palos Verdes Peninsula] Chamber of Commerce and I gave millions of dollars to UCLA, too, as you know. So I think activities and friends are absolutely critical. And they can be very helpful, not only in advice, but just in the nurturing that you get from friendships. Maybe a little tennis and golf doesn't hurt either, some exercise.

SARGENT: Yeah. I've been playing golf a little bit more now, too.

PARKER: Keeping the head down, eye on the ball?

SARGENT: Trying to.

PARKER: Don't lift up to look?

SARGENT: Oh yeah, you've got to keep looking at the ball, even after you look where the ball was--

PARKER: You've got a good body for golf.

SARGENT: We'll try. Actually, we played-- A great course is Kapalua in Maui.

PARKER: Oh, yeah!

SARGENT: Have you?

PARKER: I haven't played it, but I know the course.

SARGENT: We were there just before school started. It was great. Beautiful. What type of government regulations--?

We're getting political on you, we're taping this! We'll send it off to Ken [Kenneth] Starr. [laughs] What type of government regulations are favorable to entrepreneurial activities? What factors are adverse?

PARKER: You know, I have to say about our government--I'm not trying to kiss your ass, Ken or Bill-- [laughs] But I think our government does help the entrepreneur a lot, and I think even by having tax write-offs-- Not that I had any great losses, but if you do have a loss, you can write it off against your gains and there are a lot of tax laws that do encourage entrepreneurship. Some regulations can be a pain in the butt, but you've got to have government. But I think overall I'd say America is probably the home of the entrepreneur. I don't think there's any other country that encourages entrepreneurship as much as our country, so I would think, comparing us against England or France or Germany or Japan, I think we got a pretty good deal going.

SARGENT: Yeah, it seems like there's a lot of government regulations, a fairly good tax structure, and also the fact that there's a strong entrepreneurial community, investor community and just the whole mix.

PARKER: And [Alan] Greenspan and [Robert] Rubin have done a great job. They are sort of following business and encouraging business. They're cutting federal rates; they're doing

a lot of things to continue to keep business moving.

SARGENT: They're pulling the right levers.

PARKER: I think they are. And it's encouraging to entrepreneurs and business people, so they're doing a good job.

SARGENT: How does autonomy and relative freedom motivate entrepreneurial activities within the organization and outside the organization?

PARKER: Well, I think, again, you're an entrepreneur because that's what you like to do and you like to be on your own and I think having your own business allows you to do what you want to do when you want to do it. And you can put in eighty hours a week or you can put twenty hours a week. And that will probably determine whether you're going to make half a million or five million. Whatever. So your autonomy is your ability to do what you want to do when you want to do it. If you want to play golf every Tuesday and Thursday, that is a-- I got in a golf war because all my Japanese clients insisted, so I joined the country club and they played there all the time.

SARGENT: [laughs] Fly out to San Diego to play golf with John!

PARKER: You got it. So there you go. But I think that being an entrepreneur really gives you a chance to do what you want



to do when you want to do it and gives you the time and freedom to either work as hard as you want to or hand the baton over to your hired help and let them go for it more. You can call the shots as you see it. And as time goes on, if you want to hand part of the baton over to some guys that have done a great job--which we did at our dealership, we sold some of the dealerships, really, to our managers of twenty years or thirty years, let them work it out--

SARGENT: What about shifting from the entrepreneur or the owner/manager to the employees within the organization? Do you feel that if you give people, your employees, autonomy, and give them relative freedom as employees to think about how to go about their activities, do you think that will motivate them to be entrepreneurial within their own jobs?

PARKER: I think so. We do. Like I say, you want to keep them trained; you want to keep them on top of current things, particularly like at the car dealerships. We send them back to factory schools and things like that, and then you want them to come up with ideas and reward them for that kind of stuff. We had ESOP [employee stock ownership plan] plans, we had profit-pension plans, the whole thing.

SARGENT: So you actually shared, you actually gave-- It was a combination of good people, paying attention, relative freedom and delegation, while tracking results, and then also profit

sharing.

PARKER: Right.

SARGENT: That's great. How do highly structured environments--going back to that Fortune 500 type of firm--affect entrepreneurial activities?

PARKER: They affect entrepreneurial activities?

SARGENT: If you have a highly structured environment, as you do with a typical firm, do you think that smothers entrepreneurial activities within that organization?

PARKER: I think it can. And it probably does. I think it discourages initiative, and if a thing is so tightly structured, people have a tendency to do just what they have to do. And I think that breeds sort of incompetence and lack of real creativity or enthusiasm. A lot of people just go through life just going to their jobs, sort of cranking it out, not doing anything great but not getting fired, and, you know, get their thirty-year watch and they're out of there. I think you can structure things too tightly. Let people go for it.

SARGENT: So it sounds like you made sure you didn't tighten the screws too much in your firm

PARKER: Never. You know the thing you have to do, Al, is give people the right to fail. That's an extremely important statement, and I think you might want to think about that one, but you have to give them the right to fail. Let them

go for it, but don't beat the heck out of them if it doesn't work. Don't second-guess them, but allow people the right to fail.

SARGENT: Interesting. In other words give them a second chance?

PARKER: Yeah. But hopefully, they're going to make it. But if the damn thing doesn't work, say, "Jesus, if we do it now, how the hell can we make that work? Come back to me with another thought on that." But don't go in and tell them.

SARGENT: So get them thinking?

PARKER: You've got to learn to delegate. There's a lot of things that I could cut through and do, but I think if you asked the three or four thousand people that worked for me over the years, they would say, "The one thing that John never did was second-guess us." It would be easy for me to second-guess them, because I'm the boss. I could just say, "It should be done this way." Just like Katayama, I think I told you this, he didn't have an ad department because he said, "If I get my pen out and draw a picture, they'll just go back and copy it. And I'll get no creativity." He's the chairman and if the chairman wants it this way they're going to do exactly what he tells them to do.

SARGENT: How do you deal with employees that are not well-motivated?

PARKER: Get rid of them. Really. The thing you have to try to do as your company grows is get the right people sort of in the right box. You do have people that you can see running through the organization--they're moving up in the different areas and in and out and so on--but you attempt to get a really great accounting team and hopefully keep them happy and motivated and a good marketing group and sort of get each person in a box, but if you get somebody who's-- [laughs] There's all kinds of funny things that happen. The accounting people see what other people are getting, and you can't prevent that. So they're looking at "Why does a media buyer make \$35,000 and I only make \$24,000 as an accounting person? So I want to be a media buyer." Well, fine. It's going to take you five years to learn how to buy radio and television and stuff like that.

PARKER: Anyway, I guess the thing is you try to get people in the right spot, keep them motivated and happy, but you're always going to find people who will get in a spot and think they should be in another spot, and they probably shouldn't, and they become unhappy and then you really have to say, "Hey, go and figure it out some other place." You want to try to get people out of your organization who are what you might call rotten apples, who have a bad attitude. You don't need it. And the important thing is to do it quickly. Don't let

it simmer too long.

SARGENT: Yeah, so maybe one chance but not ten chances?

PARKER: Oh, sure, absolutely.

SARGENT: Going back to Big Al's questions, here.

PARKER: Big Al. I don't know about that boy.

SARGENT: All right. What would you say promotes--again, on attitudinal factors--what promotes an entrepreneur's adventurousness and how important is an aggressive attitude?

PARKER: I think an aggressive attitude is extremely important.

You've got to be positive, aggressive. I think an entrepreneur generally--this may sound a little dumb--is not normally thinking of money. I think he's thinking more of accomplishment and getting a job done. I've always tackled jobs with a lot of fun and enthusiasm. One year I had a big complicated tax return because I had eighteen offices around the country and all this stuff, and the IRS [Internal Revenue Service] audited us. I told my CPA guy, I said, "You know, I've never experienced this so I think I'm going to go through the audit." And he said, "Well, you're mad!" And I said, "Don't worry about it. I won't get you in trouble. If I see I'm over my head, I'll hand it over to you." Well, I went through the whole goddamn audit, so I learned about it. And I had a black, cute IRS auditor who loved KYXY, wanted to meet all the KYXY guys. And I said, "Look, I don't want to get into a situation

where they think I'm bribing you." Anyway, I got a no-change letter after six months of going through the audit. So I guess what I'm saying is you have to get in there, not be afraid to take chances, and do things and go in with a great, positive, enthusiastic attitude. I think any entrepreneur worth his salt does that.

SARGENT: What else would you say promotes an entrepreneur's adventurousness? Good wife, I guess, is important, as you mentioned.

PARKER: Well, I think all of those things. And I think an entrepreneur lives on adventure. What did I see the other day? These guys were doing these horrendous-- Oh! These crazy guys that are jumping in parachutes off the Empire State Building.

SARGENT: Were you in that film?

PARKER: That wasn't me. I jumped out of an Eighty-second Airborne [Division] plane. But this kid looks like he's in his twenties. Why does he do this? He doesn't know. He just says, "It's a great high" and he says, "If I make one mistake, I'm dead." He jumped off the Empire State Building and then he jumped off the Chrysler Building.

And [when] he landed--the last one, the Chrysler Building--you saw the stop sign change and the traffic, it was Madison Avenue, I think, and he landed right where the stop sign is

and he hailed a cab, got in the cab and took off. Because, of course, it was illegal what he was doing. [laughs] So I guess what I'm saying is you don't fear failure. I said that in my speech to the class, or that test I gave you had that in it.

SARGENT: That was the first question.

PARKER: You cannot fear failure. You just go for it. And if you do fail you do something else. Go to plan B, plan C, whatever.

SARGENT: Go back to school. Get an M.B.A.

PARKER: Talk to Al Osborne. He knows all the answers.

SARGENT: Now, what would you say sort of strengthens an entrepreneur's resilience? When you talk about the adventurous who are jumping into the pool, and when you find out the pool is full of sharks--?

PARKER: I think you make the quick decision to get the hell out of there and think of something else to do. I think that's part of entrepreneurship. See, I always had the theory that I had to be three months ahead of my client and three months ahead of the market. So I had to second-guess, in a way--I said I never second-guess--what was going to occur here in January. Is the market going to be fine? Are we going to be at war with Saddam Hussein? What are the factors that could influence the first quarter of 1999? So I always had

all these plans to present to my clients as to here are the things and here's the direction I think we should go at this time.

SARGENT: Did you use scenarios at all?

PARKER: Yeah, a lot of scenarios, analogies, a lot of stuff.

I used to be a brilliant speaker. I haven't given a lot of speeches lately, but I used to be really good at it.

SARGENT: I don't think you've lost your touch.

PARKER: Yeah, I was a keynote speaker many, many times for the Four A's, the American Association of Advertising Agencies.

But the thing is I think you try to think ahead: What's happening and what are people thinking about now and what's worrying them? Doesn't seem like the market is worrying them right now. They're buying stocks that I wanted to buy like mad. AOL, Yahoo!, Amazon.com. I was ready to throw \$3 million in, but I don't want to buy at the all-time high.

SARGENT: You think it could be--?

PARKER: I think it could be for the time being. Eventually I think it will continue to grow, but I think it's shot up-- Some of these stocks-- Ed [Edward] Ogle and I were looking at stuff October 10 that has gone up 100, 150 percent.

SARGENT: Wow!

PARKER: I know. So that's scary.

SARGENT: One month! So it's almost like we're back to July.



PARKER: You got it.

SARGENT: July was a huge run-up.

PARKER: Right. You got it.

SARGENT: The Dow [Jones Industrial Average] is now up around 8800?

PARKER: Yeah, I think it's up today. It's getting near 9000. It got up to 8875 and pooped down a little yesterday.

SARGENT: Goldman [Sachs and Company]'s chief researcher, Mary--

PARKER: Addie? What's her name? I forget her last name.

SARGENT: Same one. She said they were predicting to close the year out I think with the Dow at 9300. And, you know, a month ago, or two months ago, I thought, yeah, Goldman, what do they know.

PARKER: But we went down to 7400 there for a while. I think she's right. I think we'll do it.

SARGENT: So all those concerns-- Markets are funny--

PARKER: And Americans, we're sort of a positive bunch, really. We sort of go for it.

SARGENT: So that helps, that psychology. Let's see. The next one talks about enhancing the ability to get off the sinking ship--

PARKER: As quickly as possible. Don't be afraid if you see the plan isn't working to make a quick move. I always had

a Monday morning meeting, just like this. My office was about three times as big as this at Parker Advertising but my production head, marketing, research-- And we'd review everything that occurred the last week or month or whatever and then look to what our challenges were so that when they walked out of the room, they could go back, meet with their staff, keep the lines of communication going in the organization. And the same thing with the field force.

SARGENT: So keep reading the pulse of the business continually.

So you could make an exit decision before losses have accumulated too high.

PARKER: Absolutely.

SARGENT: Did you ever--this could apply as the owner/manager of a business or as an investor--hang on and say, "Well, it will bounce back, it will bounce back," or did you always kind of exit?

PARKER: I'm sure I must have, but I think there's a time when you really-- If all the factors say, "It ain't working," then I think it's better to cut your losses and move into another area real quick. We had a lot of interesting things happen. The advertising agency is a very quick pace and very quick decisions, and it's important to make a decision even though it may or may not be quite right. But then if you don't make a decision then your staff is sitting around,

everybody gets tense. The one thing I can do is make decisions very quickly and then you keep the process moving. You don't stop.

SARGENT: We just had a presentation on that yesterday, the ability to make decisions quickly with uncertainty.

PARKER: You got it. And also it gives your staff confidence. They say, "The boss made the decision, we're moving on." And they go on with enthusiasm. But if you're sitting there, vacillating, they think you don't know what you're doing. They lose confidence in you.

SARGENT: It's almost like a parent with a kid. If the parent's screwed up, the kids are screwed up; if the parent's happy, the kids tend to be happy. What are the effects of the legal environment on initiating entrepreneurial activities? In other words, the ability to set up contracts and copyrights and all that?

PARKER: Again, it's just part of the agenda of running a business. And I think that you've got to make sure you've got your contracts all buttoned-up, you've got your copyrights all buttoned-up--

SARGENT: Trademarks.

PARKER: --trademarks set. You've got--

SARGENT: Patents, if you have them.

PARKER: You got it. Everything has got to be-- The t's are

crossed and the i's are dotted. It's hard to move ahead without-- I forget the largest law firm in L.A., but we had a full-time lawyer over there and all he did was read our copy and look over everything we were doing. World's worst golfer. [laughs] Absolutely. He got in a hole here--

SARGENT: Maybe he's a relative of mine?

PARKER: He probably was. I think it took him eight strokes to get out of the sand trap. I couldn't believe it. I love him to death. He's brilliant.

SARGENT: Oh, geez! I think my mom does better than that.

PARKER: But he just was cute. Anyway, I think that legal things can take you down. If you get embroiled in-- You know, I think it's important-- I never had an employee lawsuit, and I had three to four thousand employees over the years.

It speaks well of everybody. I think I hired the right people, had the right attitude. I treated them well and if we ever had severance, we did it right. But if you get embroiled, as an entrepreneur, in legal activities--and I think Al would verify this--it takes all the steam out of you. Hours of giving testimony and litigation can take the fun out of it. Even if you win, you lose, because it ties up your time. And it's a negative. It has no positiveness towards the future of the business.

SARGENT: Kind of like Microsoft.

PARKER: And you get these horrendous lawyer bills. For \$350 an hour or whatever the hell it might be. So.

SARGENT: Not chump change.

PARKER: No. The legal is important and you should do it right.

SARGENT: Do you think--sort of going from the micro-issues facing a particular business to the more macro-issues--the fact that we have copyright law, trademark law, contract law, really provide fertilizer, if you will, for allowing new businesses to spring up in this country?

PARKER: I think they're great.

SARGENT: You can trust a deal to go through, you have recourse and all that?

PARKER: Yeah, absolutely. Protection.

SARGENT: It's an interesting point Al [Alfred R.] Berkeley [III] made when Big Al had him come up for the Galef Symposium.

And one of the things he says is that a lot of countries are coming to him and saying, "How do we create a Nasdaq [Composite Index]? We want to have a Nasdaq." And they kind of think, "We'll buy a computer system and we'll get the stocks going."

And he says, "That's important but you also have to back up a step and look at the laws and the whole environment."

PARKER: Yeah, you do.

SARGENT: What noneconomic characteristics--noneconomic characteristics such as ethnic background, religious background,

cultural background--[have] an influence on an individual to become an entrepreneur?

PARKER: Well, you know, I don't think there have to be any.

I think an entrepreneur can come from anywhere and they certainly have. There seem to be a lot of women, too, that are getting into entrepreneurship, becoming CEO [chief executive officer]s of their own biotech companies and things like that. I don't think there have to be any

limitations. You don't have to have M.B.A.'s or education-- while important, and I think it gives you a better running start. Gates went to Harvard [University] for a couple of semesters and became the richest man in the world. I don't think Sam [Samuel M.] Walton ever graduated from college--

SARGENT: If he went to Harvard longer, it might have beat the entrepreneurship out of him. [laughs]

PARKER: That's true: "I don't think I can do this."

SARGENT: He'd be an i[nvestment]-banker instead.

PARKER: I don't see-- Blacks. Al's black. But it doesn't make any difference to me whether he's black, purple, or green.

He's Al. He's a person. So I think an entrepreneur can come from anyplace. He can come from Honduras, if he can get out of there without getting killed. [laughs]

SARGENT: Probably when you have that kind of a drive that spills over into other stuff like business?

PARKER: Sure it does.

SARGENT: So it really cuts across gender, ethnic backgrounds.

PARKER: I think so. Sometimes coming from hard times, hard bringing up, gives you more push and inspiration. You want it. You saw what your parents went through, or whatever, and you want to do better.

SARGENT: Howard Schultz, Starbucks [Corporation], he relates growing up in the projects in Brooklyn.

PARKER: Yeah, right. He's sure done a hell of a job. That's a smart thing, tying into Barnes and Noble. You see, we've got a huge Barnes and Noble down the street here and there's Starbucks in there.

SARGENT: Starbucks, oh really?

PARKER: Yeah, they tie right in. You sit in the Starbucks and you can walk into Barnes and Noble and they have, even, tables in Barnes and Noble. There's always fifty to seventy-five people sitting around spending ten bucks for cappuccinos and goodies and buying books.

SARGENT: When you first mentioned Barnes and Noble, I thought you were going to relate to their purchase of Ingram [Book Group], but I tell you, they could give Amazon a run for their money, between--

PARKER: I think they could.

SARGENT: --optimizing the retail experience with Starbucks.

PARKER: I bought their stock when it was down. I think they have a good crack at it. Good retailers.

SARGENT: What do you think is going to happen with this whole Web thing? You look at people buying-- Amazon's predicted revenues are supposed to go really high, their evaluation's really high.

PARKER: Like \$8 billion. Isn't that amazing. Whoa. Scary.

SARGENT: But what do you think the trade-off is going to be between electronic, buying stuff on the Web, or retail? How do you think that will settle out?

PARKER: I think eventually it's going to go more to the Web.

I'll tell you why. I don't know how the traffic is where you live, but Weslie [Parker] and I don't go don't to UTC, which is University Town Center, a lot because if we don't get out of there by two [o'clock] or so, we get in gridlock here at the 805 and 5 [freeways] and it takes us an hour and a half to get home to Rancho Santa Fe. So it's a lot easier to get on your computer and order books or CDs or whatever the hell you want.

SARGENT: So tele-shopping, tele-commuting, tele-business.

PARKER: I think it's the wave of the future. It's going to happen. And I get about twenty catalogs a day, because my wife's a shopper. Some of these catalogs have great stuff. And their deliveries are like a rocket. I mean, God, you



get stuff in about three or four days. I like to shop, my mother brought me up shopping. My first wife and I shopped together, and Weslie and I shop together. But it's a pain in the butt now unless you get there real early. Like UTC, you can't find a parking place. The only hope is valet, if they have valet. And it just takes a lot of time. And effort.

It gets to be-- After shopping for four hours, and then you have lunch, and then you try to get home and it takes you an hour and a half in gridlock with people yelling, giving you the finger and honking at you-- It takes all the stuff out. It's easier to get out your catalog and check off a few things and order them. And all you have to do is call, give them your credit card, and it's done.

SARGENT: And then on the website--meanwhile the Web is getting faster and faster.

PARKER: The Web is terrific!

SARGENT: Do you use the Web, are you--?

PARKER: Yeah.

SARGENT: Yeah? All right!

PARKER: Got my computer there, and my son is a computer ace.

SARGENT: So he got you going.

PARKER: The old dog learning new tricks.

SARGENT: Mom's been buying books at Amazon. She likes it.

PARKER: Does she? That's good.

SARGENT: Going back, this section is entitled "attitude to uncertainty and independence." And the question is: Modern business and nineteenth century agriculture seem very far removed-- Despite that, do you think there's traits in common that characterize farmers, or perhaps going back in your background to the cattle ranchers, with twentieth century entrepreneurs?

PARKER: Yeah. I do. Sure.

SARGENT: And what would those be?

PARKER: Well, I think, first of all, just like a car dealer, or the last-- Not anymore because Huizenga and all these guys are making them New York Stock Exchange companies, and all my employees tell me all they're doing now is having meetings to satisfy Republic, not selling cars. See, the car dealers were the last of the great

entrepreneurs; they did it all. They were wild men and some of them weren't the world's greatest businessmen, but they were entrepreneurs, and I think farmers have to be the same thing. They have to do it all.

SARGENT: Figure out what the environment's like--literally.

PARKER: Yeah. Figure out what they can produce and how they're going to do it and be able to repair the equipment themselves if need be. My father or grandfather fixed tractors, cars, whatever, if necessary. And do his own budget, finances,

and figure out who he's going to sell his cattle to or his horses to. Onetime, weraisedtheButterball [Turkey Company] brand of turkeys.

SARGENT: Oh, really. Turkey farm.

PARKER: If you got a Butterball turkey, it's probably from the Parker Ranch. We found that avenue. We saw an opportunity and nobody was raising them, so we did it.

SARGENT: Just do it.

PARKER: Yeah. Somebody had to do it and there was an opportunity to do it, so we did. So you have to be able to do everything: figure the plan, get the people to work the plan and do it.

SARGENT: So you think that having that sort of farming heritage in American history kind of has provided a bedrock of values--?

PARKER: I think so and I think American farmers are the best in the world and the most efficient in the world, that's for sure. Always have been to some degree and certainly are now.

SARGENT: What are the chief characteristics of an entrepreneur, if you could generalize, thinking on your own experience, as well as other entrepreneurs you've met?

PARKER: Well, I think self-confidence. I think you have to be positive. As I told you before, you can't fear failure.

I think you need support from family and mate. I think generally you should be honest. I think in a way you should be willing

to give back to your community, too. You should be community oriented. I was, like I said, president of Rotary and--

SARGENT: Because it builds good will?

PARKER: Yeah. But I think you should be a giver, too. I think you need to be a good leader. I think you definitely have to be smart. Maybe not "book smart" but you have to be smart in assessing people and situations. And I think there's probably a laundry list; you could go on and on and on. Some of the things I mentioned in the thing I gave Al. Not just, you know-- And if things don't go right, go to plan B, and then make it work.

SARGENT: Do managers have less of a need for independence than entrepreneurs?

PARKER: Oh, yeah. You know, Al, there's a lot of guys that like to belong to a big organization and be a part of it, and they're very proud to be vice president of transportation, or whatever. And that's as far as they want to go, and they're happy with that. And they feel a part--when IBM has its big parties or whatever the hell--that this is important to them and are proud to say they're a part of the IBM team or whatever. They're secure in that, Big Daddy taking care of them. An entrepreneur takes care of himself and the people who work for him. It's a different scenario.

SARGENT: So it's more like an identity tied in with the

firm as opposed to an identity tied in--?

PARKER: And there's nothing wrong with that, really. I think it's great. I was proud to work for BBDO [Worldwide]--Batten, Barton, Durstine, and Osborn-- And after a while I thought, "eh."

SARGENT: Not to get too psychological, because I'm certainly no psychologist but--

PARKER: Yeah, well, I hope not.

SARGENT: No. A degree in computer science is about as far from that as you can get. But what would you say--? If these managers get their identity from being with the firm, what does an entrepreneur do for identity and self-esteem?

PARKER: I think completing tasks and seeing things that he created happen. I'm the guy that brought you Datsun. Without me, it would not have been introduced in the United States. It's now Nissan, and that was a dumb decision, but I fought them and I lost. We all agreed at that party at our house last week that Nissan has screwed up pretty badly. They lost almost a billion dollars in this market last year. Can you believe that?

SARGENT: Wow!

PARKER: And a good car market, too.

SARGENT: See, without you--

PARKER: Well, they let the team go. It's not just me, it

was a half dozen of us. I happened to be the advertising-marketing arm. But I think an entrepreneur, really-- Satisfaction in seeing the things that he created or helped create become a part of our society and economy and so on like that-- I think that's his reward. I'm sure Bill Gates says, "God, Microsoft, we're not doing too shabby--

SARGENT: Not doing too badly.

PARKER: --and I started that little sucker not too many years ago, either." He isn't that old. I'd like to be his daughter.

SARGENT: You'd like to meet his daughter?

PARKER: She's going to be one little rich girl. He's got one daughter.

SARGENT: Yeah, but she's--

PARKER: Six? Seven years old?

SARGENT: Is she six or seven?

PARKER: Something like that.

SARGENT: That's a little too young for me, though, John.

PARKER: I don't know. Send your business card over there, Al.

SARGENT: Okay, in twenty years maybe. I'll be fifty by then.

PARKER: Oh, my God!

SARGENT: So, let's see, going back to the old script here.

Is there a tendency for--? Well, I think we've kind of answered this one, but I'll just raise it and if you think there's

anything more to add, we can add. Is there a tendency for managers to be low-risk takers or more sensitive to reactions of peers?

PARKER: I think more sensitive to reaction of peers probably.

SARGENT: Care what other people think? They're not entrepreneurs, of course. Lower risk taking as well?

PARKER: Yeah, I think so. I think they want to work within the framework of the structure that's set up for them at their job.

SARGENT: And then the salaries and the benefits and the trappings and the big parties and all that. Do entrepreneurs believe more strongly than managers that they are masters of their own destiny?

PARKER: Oh, sure, I think so. Absolutely.

SARGENT: In other words they're in control of where things are going. It's not the manager or whatever. And do you think entrepreneurs are sort of--? The image I have is the wild mustang in the corral. Do you think entrepreneurs have a greater need for independence than managers do?

PARKER: I don't know if it's a need, but I think that entrepreneurs are independent and they thrive on their independence so-- I think for a number of years, I was pretty much the Lone Ranger out there. You don't mind doing that; you don't need a lot of people to help you.

SARGENT: And then comparing entrepreneurs to managers, do you think that the entrepreneur is less bothered by uncertainty than managers are?

PARKER: Oh, yeah. Sure. Absolutely.



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SARGENT: So we talked about uncertain environments. Now we're onto "Why is an entrepreneur better able than a manager to handle stress?"

PARKER: Well, I think it's his own personality; his own confidence in himself. See, it would be very stressful for me to sail a boat because I'm not a sailor. It's not stressful for me to jump out of an airplane--

SARGENT: [laughs] I think it would be reverse for me.

PARKER: --but it would for you, yeah. I guess what I'm saying is stress is what is stressful to you. It's not stressful for me to go up and give a talk. I gave a talk to the Anderson Group down here. I took Clay [J. Clayburn] La Force's place, the former dean, and I talked, I don't know-- I introduced Al [Alfred E. Osborne Jr.]. I didn't talk for a long time, but ten or fifteen minutes. Now, that wasn't stressful for me. And I didn't really prepare a lot. I just knew Al and got up and talked about him and kidded him about his baseball hats and stuff like that [laughs]. The stress of doing business on your own and taking risks is not stressful to an entrepreneur.

It would be for a company man who had been with IBM [International Business Machines] for twenty years and was asked to open up a hot dog stand to support himself. It might be tough

on him, yet he may have been a brilliant senior vice president of research for a company.

SARGENT: And managing thousands of people and not being stressed about that.

PARKER: Sure, and that's not stressful to him. I have a good friend of mine who's an orthopedic surgeon, and probably one of the best in town, who said that the least stressful time for him is when he's in surgery, no matter how complicated it is. He's knows what he's doing; he's focused on what he's doing, and even if it's a three or four hour operation, he loves it. It's no stress whatsoever. The most stressful time is talking to the clients or patients. He doesn't like to do that. It's like my announcers at KYXY. I still get together and have breakfast with them once a week, and Sam Bass, who's like the number one guy in the city here, said, "When you first hired me you wanted to get me out and promote me around," so we had doughnut drops, where companies would write in and Sam would come and deliver doughnuts. And he said, "You know, I was happy hiding behind my mike, but when you forced me to get out in public, I was nervous as a cat." That was stressful to him. Yet he's talking to a couple hundred thousand people a day on the radio. But they don't see him; he's not in front of them.

SARGENT: And to me, that would be stressful. I'd say, "Oh,

gosh, I'm going to screw up here," or something.

PARKER: All right. There you go.

SARGENT: I like that. Now, what Big Al does is we have--

PARKER: Big Al! I don't know about him.

SARGENT: [laughs] Would you agree that there's sort of an interesting-- They almost look like-- I don't know if they're stereotypes or what but just a couple of statements and stuff and kind of ask you if you agree with these things.

PARKER: Sure.

SARGENT: The question is: "Would you agree that managers are comparatively cool, rational, dispassionate, non-attached to product, plant, project or customer?" Would you agree with that or maybe parts of it?

PARKER: A good manager shouldn't be that way.

SARGENT: So this disattachment to the product and the customer and all that.

PARKER: I may have misinterpreted. I think a good manager should be concerned about all-- Read that again, maybe I missed a point here.

SARGENT: Okay. Would you say that managers are comparatively cool, rational, dispassionate and not really attached to the business?

PARKER: No, I think a good manager is attached to the business and is a part of the team. It's just like a football team.

You've all got to work together, so he's got to be attached to the product or can't be dispassionate to it. He's got to feel it's brilliant. Whatever you're doing is the best the company can do. No, I wouldn't agree with that.

SARGENT: Okay. And here's another one.

PARKER: Is this a test, Al? Are you giving me a test?

SARGENT: It's a test. We're giving you a test.

PARKER: You know, Al, I'm going to give you a test. Tell him I'll get even.

SARGENT: I'll make sure you pass, don't worry.

PARKER: Okay, lead me through this.

SARGENT: Okay, we will. Would you say an entrepreneur--like on the other extreme--is passionate, attached to his whims, his wild hunches, his organization and his product?

PARKER: Yeah. [laughs] I think an entrepreneur has got to be enthusiastic; he's got to be firm on his convictions of his marketing and his product, what he's doing. He's also got to be willing to listen to other people who may or may not have a different opinion, who might change his mind. One thing you can't do, Al, in business, or in life--and you'll find that out when you get married--is let your ego stand in your way. You've got to be willing to say, "I fucked up, and I've got to do something else here to make this thing right." So if you make a mistake own up to it and move on.

SARGENT: So the ability to listen to others and--

PARKER: Right, be flexible.

SARGENT: It actually sounds like you do have to be passionate and attached to the organization--

PARKER: You have to be passionate. There's nothing like a great wave of enthusiasm to overcome a horrendous amount of problems in business. I have walked into meetings that were dead as rain with a huge amount of enthusiasm and sold everybody and solved the problem and had them walk out of the door saying, "Shit! That's great!"

SARGENT: That's awesome.

PARKER: It can be done.

SARGENT: Motivating, sales, all that.

PARKER: Yeah.

SARGENT: There's another couple of terms here, which is, "attached to his whims and his wild hunches." That one seems like it's a little too extreme.

PARKER: I don't think that a really good entrepreneur, certainly an Anderson graduate, would have "wild whims." I don't know what "wild whims" means but--

SARGENT: [laughs] We should ask Big Al.

PARKER: Did he do this when he was drinking? [laughs] I mean, yeah, you want to have some sort of brilliant ideas. I've done some really wild stuff, but I think you've got

to watch the whims. I think you've got to have a certain amount of discipline in what you do. Keep the whims there, and don't let ideas totally fade away, but don't be attached to them. Don't live with them.

SARGENT: Some of that adventurousness is really important for the creative process, but when it comes time to put stuff to paper for a campaign--

PARKER: It ain't going to fly.

SARGENT: Here's another one--

PARKER: Uh-oh.

SARGENT: Don't worry. [laughs]

PARKER: I don't want to get an F. D-plus.

SARGENT: I think you told me you never worried!

PARKER: That's true. I don't. I'm glad you brought that up.

SARGENT: Will an entrepreneur break the rules, violate standard operating procedures and even ignore equity to keep the venture alive?

PARKER: I think sort of-- I think part of being an entrepreneur is-- Depending on what the rules are. I mean, you don't want to break laws, and what are the rules and who set the rules--?

But I think an entrepreneur will look to different directions and different ways to go around to make a product-- Like I say, an entrepreneur, I think, gets his real enjoyment out

of completing a project and seeing it to its fruition, or whatever you might call it. But, I think, yes, an entrepreneur will slide the rules around to make something happen. I have.

SARGENT: But within certain absolutes, laws, ethics, and so forth.

PARKER: Did you see the TV show on *Apollo 13*?

SARGENT: I saw the movie.

PARKER: Oh, you did. Well--I think I told you this--we're supposed to get client approval when we make any big media buys. Well, New York called me and I bought the *Apollo 13* national radio hookup. I had an exclusive on it. Just Datsun was on the whole thing. We sponsored, literally, advertising-wise, *Apollo 13*, because it wasn't televised. And I went against the client's rules and they were really pissed at me--

SARGENT: Oh! Right! Because in the movie, and this probably reflects reality, people were just bored. This was like the fifth launch or whatever, and people were like "Okay, man on the moon, whatever," And they were expecting a low turnout, but then all the troubles happened and everyone was glued to their sets.

PARKER: Right. And I had the exclusive run on it. But see, I broke the rules doing that because it happened Friday afternoon. The clients all leave at one o'clock on Friday, anyway.

I knew it was an exceptional buy--it turned out to be the best media buy, I think, of the century, because we got millions of dollars of impact.

SARGENT: Because the cost per impression was pretty low?

PARKER: Oh, man! It was practically zero.

SARGENT: Wow.

PARKER: Yeah. So that's breaking a rule.

SARGENT: And that was the Friday the thirteenth, that the flight took off, right?

PARKER: You got it.

SARGENT: Here's another statement-- You're doing great; you're, so far, straight A's. Would you say this is true or false? "The entrepreneur does not see the same risks that the rational, objective observer does."

PARKER: That's probably true, because I think an entrepreneur looks at all the reasons why you can do something and doesn't consider all the reasons why you can't. An entrepreneur has a glass half full and the other guy's worried about his job and all the problems that could happen. It's not that you don't consider and know the risks, but I don't think you really dwell on them, I guess would be the point I'd be making.

SARGENT: Do you think it's kind of like an entrepreneur would believe that the risks or the odds can be affected by his own effort and skills?



PARKER: Absolutely. I think I told you, the Parker building in Palos Verdes-- I built sixty thousand square feet of buildings, glass, beautiful buildings, I built with a negative net worth.

The banker called me and said, "Do you realize you have a negative net worth?" I said, "Are you going to give me the loan?" He said, "Hell, yes." First of all the banker loved me and they knew we had the Nissan [Motor Corporation] account; it was growing stuff. So he went over the hill, against his own bank, to give me a \$3 million loan. Back in those days that was a lot of money. Yes, there's risks, but you just go for it.

SARGENT: It almost seems like that outlook is contagious.

You believe you can control the risks; you can manage the downside and it almost seems like that's contagious. In other words that the banker thought the same thing.

PARKER: I had bankers that would float money. Not that we were broke, but \$5 or \$10 million for five or six days for me. Just [like that].

SARGENT: Cash flow, keeping things going?

PARKER: Right.

SARGENT: Not bad.

PARKER: They don't do that now.

SARGENT: They don't do that?

PARKER: I don't think so.

SARGENT: I won't call them up and ask them.

PARKER: Don't try. Try! But I don't think that's going to happen.

SARGENT: "I'm having problems with my tuition payment."  
[laughs]

PARKER: There you go.

SARGENT: Okay. Do you think--? Again, we're passing straight A's; this is amazing, no one's ever done this!

PARKER: Oh, is that right?

SARGENT: No, I'm just kidding.

PARKER: [laughs] Okay, I'll accept that.

SARGENT: It's not meant to be a test.

PARKER: I think Al Osborne is out to get me. He's out to get his old buddy. The only guy who stuck by Al! You wouldn't have your job if it wasn't for me. Remember, I'm your boss!

SARGENT: Would you say this is true or false that the entrepreneur is unfettered or unworried--

PARKER: Unfettered is a good word.

SARGENT: --by ambiguity and accepts the fact that the world is messy? That not everything can be pinned down and categorized.

PARKER: Yeah. I don't think the entrepreneur really gets into that. I don't think he'd sit there and think of all these things that are going on. I don't think the entrepreneur

worries about the world, per se; I think the entrepreneur focuses on what he's doing, puts all his efforts into getting it done, and the world goes on. We've got Saddam Hussein; we might go to war. I mean, I don't think an entrepreneur worries about that. I think you do your thing and you do it well.

SARGENT: You react; you respond. The factory blows up, you--

PARKER: Sell used cars. We had mailers in the mail next Monday to get service going.

SARGENT: Good stuff. And here's the last true and false and then we're on to summary. In your opinion, is the manager orderly, with a desire for predictability, which can lead to being hesitant, risk avoidance, and focusing on plans and target goals and stuff like that?

PARKER: You're talking about a department head or a manager or a--?

SARGENT: Yeah, manager within a large corporation.

PARKER: Now, say that one again.

SARGENT: Would you say that the manager is very orderly, with a desire for predictability?

PARKER: I think a manger is probably thinking that way, sure.

I think he wants to be consistent, predictable, and I think his superiors would probably give him accolades for that kind of behavior, sure.

SARGENT: And do you think that desire for predictability fosters hesitancy? Waiting?

PARKER: Being tentative?

SARGENT: Being tentative, can't make a decision.

PARKER: So much depends on the kind of manager. There's managers who will tell their bosses that things are not right, but a lot of them nowadays are afraid they might lose their job if they tell their superior that the program isn't right or something's wrong. I think any manager worth his salt, if he sees something wrong, should tell his boss, but I'm not sure they all do. I think there's a tendency--I know, I saw it. See, my main observation--you've got to remember, I've pretty much worked for myself my whole life--would be in the companies I owned and the companies I worked for as an advertising guy, seeing the politics going on, and a lot of managers just played the game. They didn't want to upset the apple cart.

SARGENT: Now, turning that around, when you ran Parker Advertising [later called Parker Industries], how did you make sure that problems were discovered quickly and that politics didn't get in the way?

PARKER: Well, there's no politics when it's owned by one guy, unless you let it happen. If I saw a politician I talked to him a few times and got rid of him. And I was on it, I

was really up-to-date with everything that was going on. I didn't sit in my ivory tower much; I was down with the troops most of the time.

SARGENT: Very engaged.

PARKER: And I was sort of the line contact man with the clients.

SARGENT: People always felt like-- If I were working for you twenty, thirty years ago and I said, "You know, this new ad campaign's just not working out," what kind of things in your management style, the environment you created, whatever, would you do to make me report it to you right away?

PARKER: What I would expect you to do, and what has happened, is to come right in and tell me immediately that you're hearing from the client and the different markets [that] the New York market says the campaign is just not pulling in customers.

So we would immediately sit down, get the creative people in, get the Parker field force guy in New York on the pipe, and figure out what the hell is wrong. And try to solve it immediately. Cut off the old campaign and go to plan B, which we have done many times.

SARGENT: So it sounds like-- One thing that you're not saying is that you would have a big blame session or a public hanging.

It would be solve the problem--

PARKER: That's the thing I was telling you. You've got to give your people a right to fail so that they're not afraid

to tell you these things. If somebody's afraid to tell you these things, Al, then you've got a problem.

SARGENT: That's a good point. That really ties into that question well. Now, I must say--and I'll vouch for when Big Al looks at this--you passed with flying colors, good job!

PARKER: Big Al! [laughs]

SARGENT: So now we're on to summary questions, actually eight questions, and then we are "finito."

PARKER: Okay, cool.

SARGENT: As you look back, what was your most rewarding accomplishment as an entrepreneur?

PARKER: You know, the whole thing. Just like I watched John Wayne [A&E's] *Biography* last night. Who was it? They gave him a medal of honor for being a great citizen, and they were trying to think of what to say on it and it just said, "John Wayne, American." I think just being an entrepreneur was brilliant. It was a lot of fun. And still is. I was just-- I don't know if you heard me asking questions. I've got a multimillion dollar real estate deal going on right now.

It's an easy thing to

open the doors--you're going to be opening the doors soon-- but keeping the doors open for almost forty years is another.

And that's been the fun of it. The whole forty years have been fun. So, I think, yes, I did the majority of Datsun,

Nissan in the United States and Hitachi and Bridgestone [Corporation] and Allstate [Corporation] and, you know, numbers of Redken [5th Avenue NYC] cosmetics. Brought the *Queen Mary* here, did the city of Long Beach--

SARGENT: You did that? You brought the *Queen Mary* here?

PARKER: Yeah. That was my idea. Steamed that little hummer over here.

SARGENT: Getting another British over here.

PARKER: Yeah, got two Rolls [Royces] and an Aston Martin.

Got all British cars. And a Range Rover. But, anyway, I think it's just being-- If I had put anything on my tombstone, I'd say probably "Husband, Dad, Entrepreneur." Just being an entrepreneur is great. I like being one. Sure. It's fun. Hear that, Al?

SARGENT: What would you say-- Now we go to the flip side-- What would you say is your greatest disappointment?

PARKER: I can't truthfully say-- When you start with \$2,000 and a pregnant wife and have as much fun as I have I just don't have any real downside. It's not that I'm a total idiot and optimistic on everything, but I can't think of anything I would have done better. I don't think I would have wanted to stay with Batten, Barton, Durstine, and Osborn [BBDO Worldwide] all the rest of my life. There's such great

security--and it sounds wrong--in working for yourself. Because you don't have to worry, in a way, what somebody else is thinking, politically, against you or for you or judging you. You can do it yourself and you can make it happen. It's just a great reward to be able to do that. So I don't have any downside. Maybe I should, but I can't think of one.

SARGENT: That's great. Did something right!

PARKER: Yeah. It's fun for me.

SARGENT: Well, based on the whole conversation I think I would already know the answer to this one, but I'm going to ask it anyway, just to see what you have to say: What would you do differently if you had the opportunity?

PARKER: Nothing. I'd do the same thing.

SARGENT: Yeah. That's exactly what I would have thought.

PARKER: Sure. Yeah.

SARGENT: What are the most important contributions entrepreneurs such as yourself have made to the Southern California area?

PARKER: Well, like I say, I've been involved in a lot of community projects. I was one of the big donators for Entrepreneurs Hall at UCLA and one of the founders of the Music Center [of Los Angeles County] in L.A. Just many other community activities. So, again, I think any good entrepreneur should be philanthropic and should share his entrepreneurial



[ability] in donating his time--not only his money, but his time--to help other people. And I like helping young people get educated and things like that.

SARGENT: Is there anything you look at when you're driving through San Diego or L.A. or Orange County and you say, "You know, that's a great thing somebody did--so-and-so--in giving that museum or whatever"? Is there anything that really strikes a chord with you?

PARKER: Well, as far as edifices, the only major thing I did was the Entrepreneurs Hall. As far as doing community things, I was, I think I told you, Person of the Year here in Del Mar for two years. And I redid the train station, beautified the city. And I've done hundreds of those things over the last forty years. Some of it's hard to think about.

SARGENT: So you said last forty years. You even did them back when you were just starting?

PARKER: Oh, sure.

SARGENT: It's easy for a student to think, "If I had x dollars in the bank account, sure I'd be happy to give it away--"

PARKER: I think you have to start almost from the beginning.

I think you share your mind and your enthusiasm and your time with your community. So I think that's part of the entrepreneur's spirit.

SARGENT: Be a mentor.

PARKER: Be a mentor, sure. I've mentored people and I've been mentored. I could sit and think about a lot of things, but a lot of them escape me when you are trucking along. I helped send some of the Japanese through school here. I don't know. That's the story.

SARGENT: What are the most important contributions entrepreneurs such as yourself have made to the nation as a whole in the American economic system and so forth?

PARKER: I think the majority of entrepreneurs, like good old Ted Turner's giving a billion dollars to--? I forget exactly the specifics of it.

SARGENT: The U.N. [United Nations]?

PARKER: U.N. thing. The Rockefellers certainly were entrepreneurs. Their foundation, the Ford Foundation, is probably one of the largest, and they support schools and education and-- Who did I read this morning? A friend of mine is supporting museums and education. I have set up some educational foundations down here. Kids that are bright and sharp but cannot go to college, so I set up some stuff for them to get to college. So I think you find that the majority, or a large portion of funding of particularly educational things--that's what I like--is entrepreneurial support.

SARGENT: You know, one thing, with all Bill [William H.] Gates [III]'s wealth, is that I read somewhere that he plans

to give away 95 percent of his wealth and only 5 percent will be inherited. So his kids will only be worth a billion or two--

PARKER: Oh, well, they'll just have to work through it.

SARGENT: [laughs] But you think of all this wealth being created. It's got to go somewhere, whether it's through tax or--

PARKER: You know, almost after the first \$5 or \$10 million, even with today's prices, what else do you need? Unless you want jets and houses in the Riviera and stuff like that-- Give me a break. There's not a hell of a lot that you can't have.

SARGENT: That's my thinking, too. If you have a nice house, maybe a nice vacation house somewhere, a nice car, what else?

PARKER: Really. Otherwise it gets ridiculous.

SARGENT: My feeling is how to make it keep score and then it will give back somehow. So what is your forecast for entrepreneurs?

PARKER: I think it's onward and upward. I think it's getting better. It's amazing how quickly, in the tech fields particularly, these young guys in their twenties are making such huge amounts of money. I just hope that they are able to assimilate it and give it back to society. Sometimes I think it's a hard one for some of these kids but--

SARGENT: A lot of them still have--the guys up in Silicon Valley--pretty close ties to the school. Or, actually, it's funny, Jeff [Jeffrey] Bezos, still just drives-- He and his wife share a car; they rent an apartment. [laughs]

PARKER: Some of those old habits are, you know-- I think I told you the story: Japanese are very funny and certain things are really important to them. When I moved into the big new glass Parker buildings I brought all my old furniture and bought all my employees new furniture. And you'll still hear stories on that. "Well, John got all new furniture for his employees but he kept his old desk." [laughs]. I like my old desk.

SARGENT: It was a nice extension of generosity.

PARKER: They felt I'm giving to my employees and taking care of them more than myself, so that was important to the Japanese.

SARGENT: Again, the Starbucks [Corporation] book [*Pour Your Heart into It: How Starbucks Built a Company One Cup at a Time*], Howard Schultz, that was an assigned reading in one of our classes and-- The level of generosity he gave to these part-time workers who, traditionally, got nothing.

PARKER: Sure. He paid the full benefits.

SARGENT: Yeah, the whole benefits package--

PARKER: See, that is really smart. You get it back.

SARGENT: Oh, yeah, you get it back. So what is the nature

of the specific uncertainties that entrepreneurs will face in the foreseeable future?

PARKER: God, I think they're the same as I had or anybody had. The only thing is that information is very rapid now and I think we have to be aware of the influence of the whole world on anything that we're doing. I think that you have to be aware that Japan or Russia or Brazil or whatever could have an effect on our decision making. I think, again, you're able to get stuff quicker, but otherwise-- You know, really, it's the same rules. The same things apply now as applied a hundred years ago.

SARGENT: Find a need, figure out a way to fill it.

PARKER: Do it right.

SARGENT: Manage people well, sell them, lead.

PARKER: Be good to them. You'll get it back, tenfold. You will.

SARGENT: Seems like that's worked well for you, too.

PARKER: Sure has.

SARGENT: And as we conclude the interview, what else would you like to add for the historical record?

PARKER: It's been a pleasure. I enjoyed talking to you, Al.

And if anybody ever reads this maybe there's a point or two that can be learned. An entrepreneur is an entrepreneur and I'm no different from probably any of the rest of us out there.

I think America is entrepreneur- ship, that's what made us great. And coming from an old farming background here, like you say, farmers are entrepreneurs, car dealers are still some of the last great entrepreneurs. It's a lot of fun to be an entrepreneur and to me is much more secure than working for anybody else. I'd leave it at that!

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