

A postcard from the edge

Dad's message: 'Corporate America is in trouble, and it's time for a change!'

Remembering Stanley Foster Reed (1917-2007), founder of DIRECTORS & BOARDS.

BY ALEXANDRA REED LAJOUX

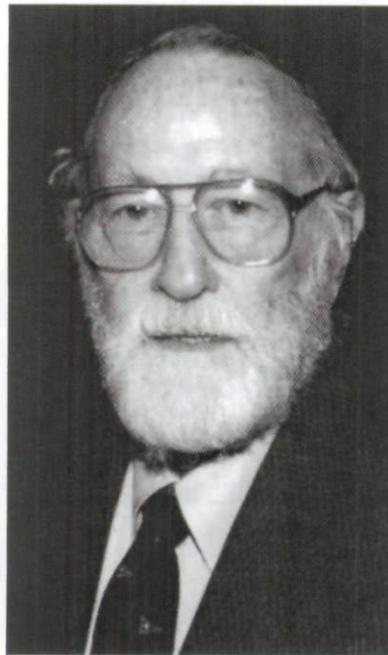
ON OCTOBER 25, 2007, at 3:25 P.M., my father, Stanley Foster Reed, took his last breath. An attending physician put it well: "To die peacefully at 90 surrounded by loved ones after a full life ... It doesn't get better than that."

The doctor's words consoled me. So too did the condolences expressed by dear friends, including Jim Kristie, worthy longtime editor of *DIRECTORS & BOARDS*, a publication my father founded in 1976. When Jim asked me to write an account of the journal's founding years, I readily agreed. How could I say no to the man whose editorial genius has preserved what may be my father's most important legacy?

The early years of *DIRECTORS & BOARDS* seem like days ago, although more than three decades have passed since then. It was a late October day at the Center for Superior Studies of Medieval Civilization in Poitiers, France, anno Domini 1975, when I first received news about my father's plans for a new publication in a postcard signed "Dad."

What a surprise! Not the publication — the card. Such niceties weren't my dad's style. Known as Stanley Foster Reed and usually signing as SFR, my father, typically clad in Brooks Brothers suits, had a million talents, including musical composition and gourmet cooking, but he harbored little interest in the minor sentimentalities. At six feet tall, with charm that could light a room and a chip on his shoulder that could blow the lights out, he was larger than life.

"There are three kinds of people," he often said. "The ones who care about ideas, the ones who care about things, and the ones who care about people."



Stanley Foster Reed (circa 1990s):

'For my father, boards represented an authority that needed shaking up.'

— Alexandra Reed Lajoux

The last two kinds were beneath him. He was interested in ideas. Big ideas. Lots of them. My father, who read and remembered every volume of *History of Civilization* by Will and Ariel Durant, lived and breathed the history of ideas and longed to play a starring role in it.

Ironically, it was in the world of things — or, more precisely, the engineering of things — that my father had made his first and biggest financial mark and showed the magnitude of his creative intelligence. At the age of 23, as a self-taught engineer, he laid the foundation

for Reed Research, where slide rulers, pulleys, levers, and blueprints would dominate his life for two decades as he filed patent after patent and built a team of foreign-born scientists that helped America win the war and preserve peace. In the 1950s, my elementary school forms proudly identified my father's profession as "Inventor."

After he sold Reed Research, my father immersed himself in the process of producing quarterly journals and writing books for the rest of his life. By age 90, after founding four journals, writing three books, countless articles, a website, and part of an opera (about Thomas Jefferson and Sally Hemings), he had spent his very last penny leaving a rich legacy of ideas far more valuable than anything that could be put into a bank account.

One of those ideas was the notion that boards of directors could be an important and positive force for change in a free economy. His 1975 postcard to me said (if memory serves), "I'm starting a new publication about the governance of companies. Corporate America is in trouble, and it's time for a change!"

At the time all I cared about was the Carolingian Empire, so I tucked the card away and didn't give it another thought. But three years later, I asked my father for summer employment, and soon found myself the senior editor of his *DIRECTORS & BOARDS*. The job gave me the opportunity to see my father engaged in the great issues of the day, and to gain a lasting interest in them myself.

Of all the publications my father founded — including *Mergers & Acquisitions*, *Campaigns & Elections*, and *Export Today* — *DIRECTORS & BOARDS* may have been his most prized.

Although he didn't earn a sheepskin until late in life, when he got an Executive MBA from Loyola College, my father was an academic at heart. He called *DIRECTORS & BOARDS* a "journal" and insisted on footnotes and bibliographies with almost every article. He cherished the copies Jim would send him over the years, and often cited them in his course when he became Entrepreneur in Residence at the College of Charleston.

Why the fascination? Corporate boards represented many things to my father. Boards were a smithy where the captains of enterprise could make decisions about capital, land, and labor based on good ideas (shades of Marx and Schumpeter). In the late 1970s, Corporate America had moral leadership from individuals such as Irving Shapiro of Dupont, and the Securities and Exchange Commission was headed by Harold Williams — giant men in large organizations wrestling with the great social issues of the day. My father, fiercely independent by nature, had never worked for a large company, so



Alexandra Reed Lajoux is chief knowledge officer and corporate secretary of the National Association of Corporate Directors. She served in a leadership role with

DIRECTORS & BOARDS during and after her father's ownership of the journal.

the field of governance held a magnetic pull for him.

Boards also represented authority that needed shaking up. One of the earliest articles extolled the shareholder gadflies Wilma Soss, Evelyn Y. Davis, and the legendary Gilbert brothers, John and Lewis. The mid-'70s was the era of the Foreign Corrupt Practices Act and the Employee Retirement Income Security Act, following scandals featuring corporate leaders perceived as corrupt or uncaring. This Corporate Establishment was the perfect foil for my father, who grew up in the Depression, raised

by parents who could trace their ancestry back to the Pilgrims but who could barely afford a turkey at Thanksgiving.

Conversely, and most personally, corporate boards also represented an establishment my father longed to join. A major part of his energy was spent attending high society events with people who had gone to Ivy League schools based on fortunes built by their ancestors. My father, whose own Tory ancestors had been banished to Canada after they picked the wrong side in the Revolutionary War and who spent 100 years trying to make it back up through the middle class in America, must have felt like an outsider among his own kind.

So despite, or perhaps because of, all his activities, my father must have been lonely. But in the end, after living his full life, he did find peace and reach out to the people — yes, people — he loved. And the good doctor was right. It doesn't get better than that. ■

The author can be contacted at arlajoux@nacdonline.org.

What you don't know,
most certainly **can** hurt you.

Industry leading Investigative Due Diligence and FCPA Risk Mitigation.

- FCPA
- ANTI-MONEY LAUNDERING
- ENHANCED DUE DILIGENCE
- FORENSIC ACCOUNTING
- REGULATORY COMPLIANCE & INVESTIGATIONS

DAYLIGHT
FORENSIC & ADVISORY

MANAGE WITH INSIGHT.

daylightforensic.com

NEW YORK | WASHINGTON | MIAMI | LONDON

©2007 Daylight Forensic & Advisory LLC.

Copyright of Directors & Boards is the property of MLR Holdings LLC d/b/a Directors & Boards and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.