

ALUMNI

PROFILE

MARION McCAW GARRISON:

An Entrepreneurial Woman



Marion McCaw Garrison (B.A. 1939), one of the first female accounting graduates of the business school, has led an extraordinary life – shaped by her entrepreneurial spirit, sound business judgment, and devotion to family. Born Marion Oliver in Centralia, Washington, Marion's youth was filled with a healthy mix of fun and duty, all within the secure circle of family that valued self-discipline and personal achievement.

A brilliant student, Marion graduated from high school when the nation was still mired in the Depression. After a year of junior college, she entered the University of Washington, where her flair for mathematics and her interest in business were quickly noticed. One of her professors arranged for her to

conduct a statistical study for a timber company. The professor was so impressed by Marion's work that he suggested she become a certified public accountant. She was thrilled by the professor's encouragement, but several days later he came back to her and said, "I want to take that back, because I know the men on the CPA board, and there is no way they will ever certify a woman!"

Undaunted, Marion continued to major in accounting and graduated in 1939. With the backing of her father, who believed that all women should be equipped to support themselves if they had to, she bought 40 acres of stump land near Olympia and became a real estate developer at the tender age of 22 – a profession unheard of for a woman of that era.

In 1942, Marion married John Elroy McCaw, a hard-driving business visionary who founded the first radio station in the Centralia area and was famous for his handshake deals, risk-taking, and entrepreneurial success. Marion's accounting skills and business acumen were soon employed in managing the finances of the family's expanding array of enterprises, which included radio and television stations – as well as real estate. Her first son, Bruce, was born in 1946, and three more sons, Craig, John, and Keith would follow. Despite the demands of motherhood, Marion would continue to play an important role in the success of the growing McCaw businesses.

When John Elroy McCaw died suddenly in 1969, the family was faced with legal and financial challenges that took several years to resolve. By the 1970s, the four McCaw sons were assuming a larger role in the family business, and they moved out of radio and into new ventures – first in cable television and then the risky new field of wireless communications. Eventually Craig McCaw assumed leadership of their very successful wireless company, McCaw Cellular Communications, known to consumers as "Cellular One", which went public in 1987 while Marion remained in the role of Chairman Emeritus. When the company was sold in 1994 to AT&T for more than \$11 billion, it had become the largest cellular operator in the U.S.

Marion continues to provide counsel to her sons in their varied business interests and also devotes her time to many civic projects, especially the Seattle Opera. Her life and career, which embody both the pioneering spirit of a business visionary and uncommon devotion to family, make Marion Garrison one of the most extraordinary women in the Northwest.

When asked what advice she would give to young business graduates today, Marion is characteristically upbeat. "There is no limit to what you can achieve – whether you're a man or a woman. The opportunities are there if you reach for them, and keep moving toward them, with determination."

A FEW MINUTES WITH GERHARD MUELLER

Gerry Mueller's retirement in 1996 after 36 years on the faculty of the UW Business School was short-lived. The former Julius Roller Professor of Accounting made a quick transition to the Financial Accounting Standards Board (FASB), the independent organization that sets the accounting standards enforced by the Securities and Exchange Commission (SEC). *UW Business* caught up with Mueller at the close of his five-year FASB term.

How has accounting evolved since the beginning of your term?

We've seen an unprecedented awareness that accounting is critical, especially to the high-tech and e-commerce sectors. Many people have been hurt by this Nasdaq crash, some of which is clearly attributable to marginal accounting. Now, any time FASB proposes a standard of any consequence, there are hearings in the US Senate and House. There have been congressional committees fighting over who gets FASB oversight.

What initiatives did FASB take in international accounting, your specialty?

Capitalizing on a worldwide convergence in the way companies do business, we developed a functioning international financial accounting standards board that national boards will use as a foundation and adapt to their own circumstances. We've also seen an enormous surge toward equity markets around the globe, even in developing nations. Along with this has come the worldwide recognition that the US has created the strongest accounting standards available. The American power-sharing standard-setting model has become the norm around the world – emulated in countries like Germany, France, Japan and Korea that were huge critics of the US. That's a great compliment.

What was the most contentious issue you faced?

When I started on the Board, it had recently caved in to political and industry pressure and rescinded a recommendation to recognize stock options as an expense on financial statements. Two years after I joined the Board we faced a similar standard issue that involved derivatives, or option contracts. These also had never shown up on financial statements because the existing accounting model is based on historical costs – and derivatives are only paper contracts, with uncertain future cost. After investigating, though, the board concluded that derivatives are, in fact, financial assets and liabilities. All hell broke loose. Congress introduced bills to prevent FASB from issuing the derivative standard. But we decided we'd rather go down with the ship than retreat. We issued a standard that's complex but workable. I consider this a major breakthrough.

What gave you the most satisfaction?

Even as the lone academic on a seven-member board, I was able to make some major input, especially in international accounting. Today I am even more convinced that the standard-setting system we have in the US is really contributing to the well-being of our capital markets.

