

McTevia Comments on New Meijer President

Meijer's pick gets top grades

Thursday, January 05, 2006

By Mary Radigan
The Grand Rapids Press

WALKER -- Barbara and Tony Musser just about dropped their celery when they ran into incoming Meijer Inc. President Mark Murray in the produce section of the Standale Meijer store.

Murray was turning heads of employees and customers alike on Wednesday as the Grand Valley State University president visited with store director Mark DeVries. The word was out Murray was leaving the university after the 2005-06 academic year to begin his new job as Meijer's president in August.

"We just saw his picture in The Grand Rapids Press and wanted to congratulate him on his new position," gushed Barbara Musser. "He did a great job at Grand Valley, and he'll be a good president for Meijer."

Nearby, Bill Neal was heading down an aisle when Murray spotted the retired GVSU geology professor. Neal had no idea his former boss had accepted a new career in the retail industry.

"It was like, 'wow,' because Mark just told me the news," he said.

"It will be a loss to Grand Valley because he stepped in and filled big shoes when (former GVSU president) Don Lubbers retired, but this is very exciting."

Although Murray has no retail experience, he has been on Meijer executive board for a year and led several organizations before joining GVSU.

The former state treasurer and budget chief under Gov. John Engler has the skills to benefit Meijer, according to Fred Meijer, chairman emeritus of the family-owned retailer.

The family and other board members carefully considered Murray's background and attributes and never looked at any other candidate for the president's position, said Meijer, 86.

"When we lost Larry, (Zigerelli, the company's former president who resigned last month for personal

reasons), we decided to take a different approach and look for a non-traditional person and not someone with deep retail roots," he said.

"Mark understands the bigger picture, and Meijer has a very bright future."

James McTevia, founder of McTevia & Associates in Bingham Farms, north of Detroit, is a nationally known consultant for companies in transition. He views Murray's appointment as unusual, but a "smart, tactical move" for Meijer as it continues to establish its niche against competitor Wal-Mart.

"There's a whole new generation of Meijer family members who apparently found out where they want to be in the future, which they had to do to survive," McTevia said.

"Mark Murray has the kind of background and contacts he could tap into in state and governmental levels that could be valuable for Meijer's growth and expansion."

Murray is leaving the GVSU president's post, which pays \$187,932 a year plus other incentives and perks, for a higher-paying position with Meijer.

The privately owned company does not disclose financial information, but McTevia said Murray's responsibility for a retailer with 171 stores in five states and more than \$11.5 billion in sales should garner a salary ranging from \$500,000 to \$750,000, plus stock options and bonuses, depending on the deal cut.

Ben Rudolph, professor of retail and marketing at GVSU, has been impressed with Murray's skills at keeping the Allendale-based university in the forefront when it comes to state appropriations and other important educational issues.

"This is no doubt an unusual move on Meijer's part, but (Zigerelli) was a big-city guy, experienced and savvy, and look where it got Meijer in the end," Rudolph said.

"They obviously think Mark has enough organizational skills to transition into this position and work with the other Meijer leaders."

Steve Cole, a local retail and marketing consultant, doesn't believe hiring someone without retail experience is a smart move in today's market.

"If Meijer fears Wal-Mart as much as they say they do, they need someone with a retail background," Cole said. "I don't think being the president of a college, even with all his administrative skills, is a wise move when you're up against Wal-Mart."

Craig Sturken is chief executive of another competitor, Spartan Stores Inc. of Byron Township.

He said he has the highest regard for Meijer and the two grocers share a common goal of being consumer-focused, West Michigan-based retailers with a long history of success.

"Food retailing is a tough business that requires dedication, commitment and leadership," Sturken said. "These are all qualities that Mr. Murray brings with him, and I wish (him) the best in his new position."