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FIU business school honors Chapman

BY GREG Fields

gfields@herald.com

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‘I’ve been in nonprofits so long I have to remind people I had a business to run,’ Chapman, 80, said with a soft laugh. Run it, he did. As steward of Knight Ridder, The Herald parent company and newspaper conglomerate began as chairman in 1974, and later as CEO and chairman, Chapman led the company’s growth and stock on an ever-upward trajectory.

But besides running the company, he also happily ran the town — or at least heavily influenced it.

He threw his support to an endless litany of civic projects. And it is this unique combination of business sense and social responsibility that recently led Florida International University to give him its Graduate School of Business naming ceremony.

The naming ceremony took place Thursday night at the J.W. Marriott on Brickell Avenue. The banquet drew a veritable who’s who of South Florida dignitaries, including Gov. Jeb Bush, and business leaders such as real estate magnate Armando Codina.

“I hate these dinners, but I go to this one happily,” Codina said. “In the modern history of Miami, he’s been the premier civic leader.”

Codina will chair the business school’s $10 million fundraising campaign, which kicked off last night.

Joyce Elam, dean of the FIU business school, added that Chapman’s record is a valuable framework for budding MBAs.

Simply put, that business is “about more than just numbers.”

“We wanted to name it for someone whose business and personal lives could be a role model for our students,” she said, who added that the naming of the school is a financial contribution from Chapman, a common practice at American universities.

Of course, Chapman has long been associated with FIU. He served for years as chairman of the FIU Foundation. He’s brought in $14 million in gifts through contributions of the school building, including $600,000 that he and wife, Betty, used to personally underwrite a chair in business ethics.

Moderate “Mitch” Maidique, FIU’s president, remembers the first time he met Chapman.

“He came down on a little sofa in his office and said, ‘What do you want me to do?’”

Maidique replica said that he wanted Chapman to join the board of FIU’s foundation.

“Within a year he was on the board and chairman,” he said.

Today he is chairman emeritus of the foundation but is also a member of the board of trustees, the institution’s governing body.

Even without his civic involvement, Chapman’s record as a CEO would merit the attention of any business school.

During the time he led the company, shares in Knight Ridder had a compounded growth rate that averaged 23 percent annually. Profits increased for 14 straight years. The company won 37 Pulitzer Prizes. And it was in two editions of the 100 Best Companies To Work For.

Each year the amount of money the company spent on community contributions was also increased.

“I really feel very good about my career,” he says.

CHUCK FAGLEY/HERALD STAFF

GALA QUESTS: FIU business school Dean Joyce Elam, right, greets guests with former Knight Ridder Chairman Alvah Chapman.

Those who know him say there’s no doubt about Chapman’s business acumen.

“Alvah was a born business executive,” said John McLellan, former executive editor of The Herald. “There was no question about his ability.”

It was a career that, in many ways, seems preordained.

Chapman’s family owned the newspaper, The Ledger-Enquirer, in his hometown of Columbus, Ga.

He went to the famed South Carolina military school the Citadel, where he got a degree in business administration with an eye toward returning to the family business. First, however, he did a stint as a bomber pilot in World War II. Back in Columbus, he did reporting, sold some advertising, and eventually ended up production manager before leaving for the general management job at The St. Petersburg Times, then owned by Nelson Poynter.


In fact, the next idea he tried was owning his own paper. He and some fellow investors bought The Savannah Morning News, which at the time wasn’t known for its editorial excellence.

“It was awful,” he recalls. “You couldn’t believe how awful it was. Many of the locals were already home from church before their Sunday edition arrived.

He tried to get the Knight brothers, John S. and James L., interested in buying it. They passed, but in 1960 they hired him, bringing him to Miami as assistant to James Knight, with the promise of an eventual front-office position with The Detroit Free Press. Chapman never made it there.

Ben Bagdikian, one of the nation’s best-known media critics, said Chapman brought to the job a “broad national reputation and a tradition of corporate and business values that very much resembled those of the Knights.”

“Alvah had by then improved every paper he’d been at,” said Bagdikian. “He fostered good reporters, and good reporting.”

That no doubt played well with Jack Knight, whose column, “Jack Knight Was a Great Editor,” recalls Chapman. “When he wrote his columns he closed the door and nobody bothered him, even if the building was on fire.”

At the same time, Chapman’s business degree and the disciplined strategic thinking born of a military education were valued at the Knight organization, which had a somewhat loosened management style.

“Then they’d never produced a consolidated statement of the company’s financial operations, for instance,” said Jim Knight. “Was a great businessman but didn’t really understand accounting and modern management methods,” Chapman said.

He adds: “When the newspapers went public in 1969, nobody in the company knew anything about Wall Street.”

By selling stock to investors, Chapman helped put the Knight organization at the forefront of the trend toward publicly owned media companies, a transition that has profoundly changed the way the industry operates.

In 1974, Chapman was on the front lines of change again when The Knight organization merged with the Ridder newspaper company. It created Knight Ridder, and gave birth to both the sweeping consolidation of newspaper ownership in the country and the eventual rise of the media conglomerate.

Chapman, with help from co-workers such as Lee Hils and Alvah Chapman, former chairman of Knight Ridder, and James L. Knight, chairman emeritus of The Herald.

“His big challenge is to serve them all,” he adds.

And on occasion it means making tough decisions. In Detroit, for instance, Knight Ridder was losing $17 million a year in the 1980s in a fierce competition with The Detroit News. Chapman made the decision that unless the papers received government approval for a joint operating agreement — where they share business operations — The Free Press would be closed.

“It was the toughest thing I had to do,” he said.

The approval eventually came from the Reagan administration, however, saving the paper.

He also at times faced some grudging battles with labor. “One part that was not fun was the strikes in Philadelphia,” he said. A strike in 1997 led to days and crippling Knight Ridder’s Philadelphia Inquirer and Denver Post.

Not all decisions paid off. A move into business information systems yielded impressive results, for instance, and Knight Ridder eventually got it. And Viewpoint, which began as an early online venture, proved a costly debacle in the mid-1990s.

Cruel to any executive’s success, of course, is picking the right people. He remembers especially fondly the late Byron Harless, who advised him on many issues, and James Batten, who succeeded Chapman as chairman before dying of brain cancer.

“I think I assembled a good management team,” he says. And he also sought advice from American, safety washes through some wrenching changes. The company and its papers were early champions of integration, and during his tenure he added the first African-American and female to the board.

For all the complicated problems of running a company, Chapman said much of what he knows can be summed up in one thought, “One of the things I learned is, the reader’s interests are most important.”

NEWSPAPER QUARTET: John S. Knight, left, former Herald publisher, in the early 70’s with Lee Hills and Alvah Chapman, former chairman of Knight Ridder, and James L. Knight, chairman emeritus of The Herald.

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