

DETROIT RISING ▶

Hudson-Webber's Melanca Clark on protests, policing and putting more African Americans at decision-making tables **PAGE 13**



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Crain's Excellence in HR Awards **PAGES 8-12**

REAL ESTATE

How the Simon-Taubman deal came together, then fell apart

BY KIRK PINHO

On Oct. 24, Robert S. Taubman and David Simon met for dinner.

The two men in previous years had tangled, at times acrimoniously, in the shopping mall business: Taubman the head of Bloomfield Hills-based Taubman Centers Inc. (NYSE: TCO) and Simon the head of Indianapolis-based Simon Property Group (NYSE: SPG).



Simon

That was in the past. The hatchet had been buried and it was time for a deal, a complex agreement that ended up being worth \$3.6 billion, with the Taubman family selling part of its 70-year-old business to the nation's largest mall operator.



Taubman

It was eventually to be dubbed Project Metal by advisers at Bermuda-based Lazard Frères & Co. LLC, with internal documents referring to Taubman as "Titanium" and Simon Property Group as "Silver."

But 231 days after that initial meeting, the luster had worn off, with Simon attempting to pull the plug on the largest local real estate M&A transaction in recent memory. Taubman is fighting the effort, proceeding with its previously scheduled June 25 meeting to vote on the deal, and what happens is contingent upon how a case in Oakland County Circuit Court plays out.

On Wednesday, Simon Property Group said it was backing out of buying Taubman Centers and seeking a declaratory judgment on its exit from the purchase, citing the COVID-19 pandemic and what the SPG called poor financial choices during the outbreak that has killed more than 114,000 nationwide and brought the economy to its knees.

See **DEAL** on Page 18

ANALYSIS | CORPORATE RESPONSIBILITY

You sent a #BlackLivesMatter statement.

What's next?

Eight ways your company can address racism, starting now

BY ALLISON TORRES BURTKA | SPECIAL TO CRAIN'S DETROIT BUSINESS

Since George Floyd's death and the protests that have followed, companies have responded in different ways. Some issued statements to the public and to their employees, with various messages on police brutality and the Black Lives Matter movement. But beyond such statements, what can organizations do to address these issues — which might include systemic racism in their own space?

The value of diversity, equity and inclusion (DEI) has gone mainstream, but many organizations have fallen short in practice. This moment — when public attention is focused on racial injustice and inequity — is an opportunity for

companies to evaluate where they stand, what they stand for and what they can do moving forward.

▶ TALK TO YOUR EMPLOYEES

It's imperative for companies "to communicate within their internal organization about what they believe in terms of diversity, inclusion and equity in the workplace," even before issuing public statements, said Graci Harkema, a diversity and inclusion consultant.

Inside

▶ A letter to my fellow CEOs, by Carla Walker-Miller. **Page 6**

"The employee shouldn't have to look on the company's social media post to see what they stand for," said Harkema, who started her own firm, Graci LLC, after stepping down from her position as Founders Brewing Co.'s diversity and inclusion director.

The worst thing to say is nothing at all, said Darlene King, executive director of the Michigan Diversity Council and a consultant. Even if all you say is: "I am at a loss for words. But I want to learn from you what it is that I need to do, and we need to do to be a better organization, to have better community engagement, to have better corporate responsibility."

See **RACISM** on Page 15

HEALTH CARE

MSU steps into role with Henry Ford Health

Deal mirrors what Wayne State sought

BY JAY GREENE

The plans on the table in a far-reaching affiliation proposal between Detroit-based Henry Ford Health System and Michigan State University look a lot like a previous proposal with Wayne State University that fell through last year.

Among the proposals contained in a letter of intent signed Wednesday by Henry Ford Health and MSU are a new health sciences center managed by a joint operating company that would undertake research, education and clinical activities.

The plan would mark a big step into Detroit for MSU's medical operation, and gives Henry Ford an academic partner that could help it along the road to becoming an academic and clinical powerhouse. However, it would leave Wayne State officials with dim prospects for improving a longtime partnership with Detroit Medical Center that has been marked by conflict.

It was management of the joint operating company that scuttled the proposed deal last year between Henry Ford and Wayne State, Crain's reported in February 2019.

Officials for Henry Ford and Michigan State said the details of the management and governance structure of the proposed health sciences center are still being worked out. They said they don't foresee similar problems ahead with the boards closely involved.

In an interview with Crain's on Thursday, MSU President Samuel Stanley Jr., M.D., said the MSU board has approved the general concept of the letter of intent. He said the boards want to look more closely at the final language before making final decisions.

"The letter of intent says we're going to work on these things. We're going to explore it," he said. "We haven't made decisions on how this would be structured it yet."

Norman Beauchamp Jr., M.D., MSU's executive vice president for health sciences, said the boards of MSU and Henry Ford will be closely involved in helping decide the structure and authority of the new company or committee that would oversee the proposed health sciences center.

See **MSU** on Page 17

COVID-19 HEROES

Sherelle Hogan's Pure Heart Foundation aids children of incarcerated parents from a distance.

PAGE 7



RACISM

From Page 1

▶ ASK FOR INPUT AND LISTEN

Companies can invite employees to share their perspectives through town hall meetings, focus groups and anonymous surveys. Lisa Tolbert, director of human resources at Barton Malow, noted the importance of “having open dialogue and giving team members a platform and an opportunity to have a voice, to express their thoughts and their feelings.”

For example, Barton Malow regularly conducts short surveys on specific topics, and a recent one asked for input on DEI. “We’ll use that to help guide some actions and direction where there may be opportunities to do things a little bit differently within our organization,” Tolbert said. Another example is that the company publishes an article on diversity and inclusion each month on its intranet, and a recent one was written by a team member who wanted to share his perspective on finding inspiration during this time of unrest.

Humility is important. “Corporate allyship or individual allyship begins with a humble spirit,” said Steve Spreitzer, president and CEO of the Michigan Roundtable for Diversity & Inclusion. When listening to people who are different from you, “that’s a humble space, because you’re not speaking — what you have to say about yourself is irrelevant. It’s what you’re going to learn.”

▶ CREATE SAFE SPACES

Companies should ensure that they have policies and practices in place “that clearly state that they will not allow discrimination” and that they are building an equitable, inclusive, safe and supportive workplace “where every employee knows that they can go to work as their authentic self,” Harkema said. Employees need to feel comfortable going to their team leaders with problems.

Asking people of certain demographics to speak for a whole group can be problematic. If someone thinks, “I’m going to go to Jamal, because he’s going to know all the answers on all things black men,” that isn’t placing that employee in a safe space,” Harkema said. “And then that adds a lot of pressure, when that employee was probably already feeling a lot of internalized pressure.”

▶ CALL OUT RACISM

In the current climate, people may be less willing to stay silent when racism surfaces. “If you hear something that may be inappropriate or may be offensive,” hold the person accountable, but do so respectfully, recommended consultant Jocelyn Giangrande.

How do you call someone out respectfully? “I assume innocence,” Giangrande said. For example: “I’m not sure if you know that, but that could be offensive to some people.” If you assume innocence, your message will come across as “more about building awareness,” she said.

It’s important to “create a culture where we can let someone know if they’ve perpetrated a microaggression,” and it’s normative, Spreitzer said. People should feel comfortable saying, for example, “When you told me that I spoke well today, or when you asked me where I was from, I found that offensive.”

With COVID-19’s disproportionate impact on black people, and recent instances of anti-black racism, “the

window that some people had opened up to them about the extent to which black folk endure racism every day,” Spreitzer said.

▶ USE THE DATA YOU HAVE

To really understand what it’s like to work at your organization, particularly for people of color, companies need to dig into their data from employee feedback or engagement surveys, Giangrande said. “See what story it tells, because you may find that there are trends that are going on with certain groups of people,” regarding who gets hired, promoted or terminated, and who gets access to development opportunities.

Yen Hannah, of Engaged Consulting, agreed. “I think that companies have these numbers, but a lot of companies don’t do anything with them. And I think that now is a good time to kind of evaluate those numbers.”

▶ RETHINK YOUR TRAINING

Training on diversity, sensitivity, and biases is common, but it varies in breadth and depth. New hires often sit through a computerized course on diversity and inclusion training, and then companies consider them

“NO ONE WANTS TO BE TO BE CALLED RACIST OR BE ON THE WRONG SIDE OF THIS, BUT THEY DON’T GO DEEP ENOUGH.”

— Yen Hannah, Engaged Consulting

trained, Hannah said. “But that’s not enough.” To have a real impact, it should be in person and across all departments, she said.

“No one wants to be to be called racist or be on the wrong side of this, but they don’t go deep enough,” Spreitzer said. “While there is a surplus of opportunities for people to experience some implicit bias training, there’s probably less of a way for people to really get that over time.”

Sometimes, employees get notified that they need to attend a diversity training, but they might not understand what the point is and what’s in it for them, Giangrande said. Companies should convey how this training will create a better organization, make them more attractive to top talent, and help them meet the diverse needs of the communities they serve, she said.

▶ BE BOLD — BUT THOUGHTFUL

Leaders should be bold in their actions, King said, pointing to the nine metro Detroit executives who recently announced their commitment to four goals, including working to eliminate racism within their companies. “That’s being bold, that’s being authentic, and that’s being intentional. Companies are missing the mark by not doing that,” she said.

At the same time, companies should acknowledge the history of diversity at their organization, Giangrande said. “Because if you dismiss the history, and you think you get a whole clean slate, you may not be able to build trust with those groups and your community that you’re hoping to build trust with.”

Sometimes, leaders may value diversity and inclusion, but “they aren’t even aware of how adverse systemic racism is in their own organization,” Harkema said. In her trainings, she tries to address “what systemic racism is and how it’s manifested, and the ripple effects. Understanding that is huge, because when you understand that, then you have

the opportunity to be able to check your biases and have deeper understanding of other people and where they’re coming from.”

“If these same organizations that are making these bold diversity statements have the exact same makeup on their leadership team 1, 2, 3 or 4 years from now,” then maybe they took action “because it was trendy, not because they were focused on doing the work,” Harkema said. “It is always evolving, and the work never stops.”

▶ SIZE UP YOUR CULTURE

If you look at your board of directors, your C-suite, and your VPs, and none of them are people of color, “then there’s a problem, because that means that you are not a culturally competent organization,” King said. “If you are not a culturally competent organization, you will not be sustainable in the 21st century.”

Spreitzer recommended experiences that bring employees together with members of the communities they serve, such as Habitat for Humanity builds. It’s “finding a way to have a solidarity or a deeper connection with the community,” he said. Without that connection, the organization might not appreciate issues such as “people that are struggling with water shutoffs, that are dealing with gentrification, or that are dealing with health care disparities.”

Barton Malow realized that it could support its employees by helping them deal with the emotional toll of the social unrest through its employee assistance program. It made available resources on “understanding the trauma that’s associated with racism,” as well as tips on talking to children about it, Tolbert said.

This time is an important opportunity, Spreitzer said. “We can start wagging the dog, if you will — we can start changing some of the history that we all have,” he said. “Whether you call it white supremacy or structural racism, this stuff is in the air we breathe.”

CLARK

From Page 13

We want to be in a place where, just looking at Detroit specifically, there’s a coproduction of safety, you don’t just have a situation where the police are an occupying force, but in fact, they are in service of the community that they’re serving. That’s important.

The other piece, and there are multiple pieces, but one of the other things that we have invested in is a law enforcement diversion program ... (through) Southwest Detroit Community Justice Center. And that’s a program where the police department, when they come across folks that clearly have substance abuse issues and ... mental health issues, they have a warm handoff to a social worker so they don’t bring that person to a jail, which is the last place that person needs to go, but to actual services that can address the root causes of the problem for which that officer had to had to come. And I’d say again, just to kind of draw this out a bit, the larger context is that we have invested tremendous resource and capital into the mechanisms of enforcement and in control and incarceration. And at the very same time divested in support and resource for the things that would keep people out of that system, and to which that system is so poorly situated to address, like substance abuse and mental health, but also education and housing and the types of investments that bring about economic mobility ...

▶ Earlier this week, we saw the leaders of General Motors, Blue Cross Blue Shield, Ford Motor Co., Fiat Chrysler Automobiles, Quicken Loans — some of the biggest corporations in Detroit — make a general pledge and commitment to concrete and tangible change in the wake of the

police brutality demonstrations within their own corporations. There weren’t a lot of very specific commitments, but there is a overall commitment to work to try to eliminate all forms of bias, racism, sexism and violence within their communities and companies. What do you think is needed at the corporate level to really make cultural change within companies in Detroit?

There are a number of companies that are ahead of the curve on this, but intentionality around ensuring that they’ve got a diverse workforce ... (and) accountability for ensuring that there is a level playing field for folks to succeed in that workplace, that there were appropriate supports and that the leadership is reflective of what, in fact, is a diverse society. Let me caveat that by saying like I’m by no means an expert on corporate diversity initiatives. ... But it was wonderful to see them, see their leadership, for them to come out and take a stance. As I understand it, they had committed to do absolutely all that they could within their own corporations, but I think they’re also leaning into their collective leadership outside of their corporations, and that’s what I think is particularly exciting. That said, I think the thing that needs to be remembered and is at the heart of this, is that as folks come up with solutions and interventions, that they ensure that at that table of decision makers are the very folks that they are hoping to reach and serve. And I think too many times, and this has been true in Detroit, which is a predominantly African American city, but where, frankly, decisions about resource and capital are often not made with African Americans predominantly at the table and certainly not folks that are in the community, low-income disenfranchised folks that have not been at any of these tables.

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