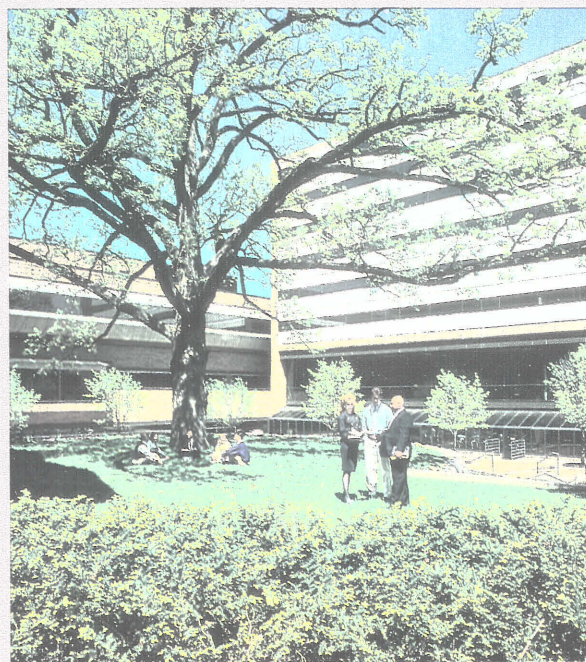


UNIVERSITY OF
MICHIGAN BUSINESS SCHOOL

ANNUAL REPORT 1995



YEAR ENDING JUNE 30, 1995

VITAL STATISTICS

HISTORY

The Business School was officially established in 1923 with an MBA program. A Ph.D. program was added in 1935, and a BBA program in 1942 with two years of liberal arts study required. Students also can earn a master of accounting degree under a special five-year program.

STUDENTS

Enrollment figures for 1994-1995 were: BBA 570; Macc 21; MBA full-time 872; part-time 1,010; and Ph.D. 55. MBA candidates' median score on the Graduate Management Admissions Test was 630, ranking them in the 90th percentile nationwide. BBA students coming to the Business School in their junior year had a median grade point of 3.4. The School grants more than 500 MBA and almost 300 BBA degrees each year. Over 400 firms recruited students in 1994-95. BBA salaries in 1995 ranged from \$19,000 to \$65,000, with the highest number of job acceptances in the fields of consulting, investments, and public accounting. MBA salaries ranged from \$20,000 to \$144,000 with the highest number of job acceptances in the fields of consulting, banking/investments, and consumer goods. Students in the MBA program are exceptionally diverse. The class entering in 1995 included 21% minority, 25% female, and 23% international members.

THE GLOBAL MBA

The Michigan Global MBA provides corporate employees in international locations an opportunity to earn a Michigan MBA degree. This rigorous program can be delivered part or full-time using a variety of methods to enhance learning. Advances in communication and information technology enable Michigan to teach courses globally using video conferences, computer networks, and on-site face to face contact with students. Program participants also spend a period of residence in Ann Arbor taking elective courses. In addition they participate in Michigan's Multidisciplinary Action Projects (MAP) within their respective companies. The program was launched in Hong Kong with Cathay Pacific Airways and continued with a second program in South Korea with the Daewoo Group. Currently 74 students are in the program.

COSTS

1995-96 tuition: undergraduate residents \$3,106 per semester, undergraduate non-residents \$9,209 per semester, graduate residents \$7,675 per semester, graduate non-residents \$11,000 per semester.

FACULTY

Dean B. Joseph White heads a faculty of 130 members who teach and conduct research in 12 areas.

EXECUTIVE EDUCATION

An Executive Education Center offers more than 40 executive programs and management seminars. More than 4,500 executives and managers from more than 1,600 companies and organizations attend annually. The latest Business Week ranking rated the University of Michigan Business School's Executive Education programs number one among business schools in the U.S. Michigan's Executive Education programs ranked first worldwide for the number of executives attending university-based programs, according to the Wall Street Journal. Executive sessions range from two days to four weeks. Facilities include eight fully equipped classrooms, offices, and a residence that offers complete hotel services.

THE WILLIAM DAVIDSON INSTITUTE

The William Davidson Institute's mission is to understand and promote the transformation of centrally-planned and quasi-market economies around the world into market-oriented economies. Its mission is accomplished through educational and research programs focused on developing and disseminating expertise on issues affecting firms in transitional economies. In its flagship program, the Partnership Program, the Institute works with firms in transitional economies (China, Central and Eastern Europe, Russia and Vietnam), offering a unique blend of practical project-oriented work as well as classroom education to develop solutions to business problems. The Institute's research agenda supports research on transitional economies and is building a worldwide network of experts on transition. Other Davidson Institute programs include executive education offerings for companies seeking to operate successfully in transitional economies, an MBA/MA Internship Program, CEO and research-based forums in India, and a Fellowship in Business Journalism offered each year to a business journalist from a target economy.

SPECIALIZED OPERATIONS INCLUDE:

The Business and Industrial Assistance Division (BIAD)
The Center for International Business Education (CIBE)
Collaboratory for Research and Electronic Work (CREW)
The Corporate Environmental Management Program (CEMP)
The Institute for Labor and Industrial Relations (Joint with the School of Social Work)
The Mitsui Life Financial Research Center
The National Quality Research Center
The Office of Manufacturing Management Research
The Office of Public and Private Institutions
The Office of Private Equity Finance
The Office of Tax Policy Research and Analysis
The Paton Accounting Center
The Joel D. Tauber Manufacturing Institute

THE KRESGE LIBRARY

One of the nation's largest business libraries with more than 137,000 volumes, 400,000 microforms, 3,200 periodicals, and 22 online databases and CD-ROM services.

COMPUTING FACILITIES

A 50,000 square-foot computing center is equipped with 170 advanced microcomputers housed in public labs and the library. A 900-node Ethernet network connects every classroom, lab workstation, library study room, faculty and staff office, conference room, and Executive Residence room to the campus backbone with Internet links.

ALUMNI

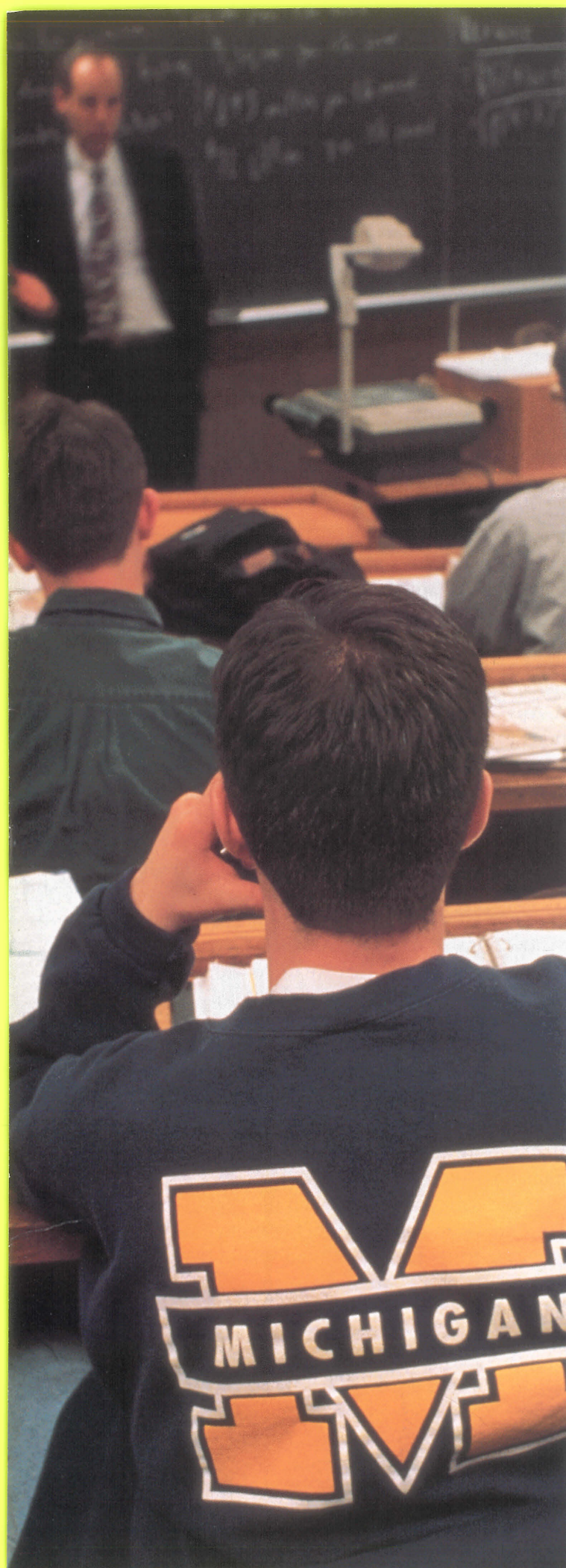
The School's alumni network includes more than 25,000 alumni in all 50 states and 74 foreign countries. There are a number of Business School clubs around the world and more are being planned.

GIFT SUPPORT

Cash gifts from alumni, corporations, and foundations totaled \$11.4 million. Gifts of \$1.6 million for the William Davidson Institute brought the total of gifts to the University of Michigan Business School in 1994-95 to \$13.0 million.

FINANCES

The School's 1994-95 revenues were over \$65 million. Student tuition and fees accounted for approximately 50% of that total, the executive education program 31%, with the balance from research grants, gifts, and investment income. The market value of the School's endowment is approximately \$69 million.



Philip T. Datillo

TABLE OF CONTENTS

From the Dean	2
Students	6
Teaching	11
Research	15
Alumni	20
New Chairs and Faculty Awards	24
Expertise and Outreach	26
Executive Education	28
Connections	30
The Point is the People	32
Sources and Uses of Funds	34
Visiting Committee	37
National Campaign Committee	37
Alumni Society Board of Governors	38
Growth Fund Trustees	38
Alumni Investment Managers	39
Corporate Advisory Board	39
Campaign Progress Report	40

About the Cover: Pictures on our cover illustrate some of the highlights of the year. Reading clockwise from top left, they include — some recent books by faculty members, symbolizing the ongoing research and writing agenda at the University of Michigan Business School (see page 15); a picture of participants in the first-ever “Global Blue” conference, attended by representatives of all but two “Global Blue” classes and by representatives of Business School Alumni Societies in six major cities (see page 20); a scenic shot of one of the Business School buildings; a picture of Joel D. Tauber, who founded the new Tauber Manufacturing Institute with a gift of \$5 million. He is pictured at Code Alarm, Inc., one of the companies that sponsors a summer team project for TMI students, along with two of the students who did a project at Code Alarm this summer (see page 26).

Dean:

B. Joseph White

Associate Deans:

George Siedel III

Edward A. Snyder

Janet A. Weiss

Assistant Dean:

Judith A. Goodman

Editor:

Pringle Smith

Designer:

Kathy Krick, U of M Marketing Communications

Printer:

Winton-Swan Associates Inc.

This publication is made possible through the generosity of private donations.

FROM THE DEAN

Editor's Note: Since this year's annual report falls at the midpoint of the decade, it seemed an especially good time to interview Dean B. Joseph White about the accomplishments of the School since 1990 and its prospects as we approach 2000.

Q. Would you reflect on what kind of School we are at this mid-point in the 1990s?

A. I think the School now provides a great "opportunity environment" for our students and faculty. We offer abundant opportunities for students and faculty to learn and develop, from the classroom and library to the desktop computer and business workplaces around the world. The variety of our programs and the breadth of our reach are important factors in this environment, and the innovations we have put in place have built on our strengths.

Q. So what has been the result? What kind of School has emerged from this?

A. We have created educational experiences for students that encourage — even force — them to turn ideas into action. Michigan has always been known for that — producing leaders who can roll up their sleeves and make things happen. There have been times when that's been seen as a bit unseemly, but now the incredible value of combining that with the functional excellence that only a handful of top schools can really provide is being fully recognized. For example, MAP, our multidisciplinary action project required in the last seven weeks of the first-year MBA curriculum, requires integration of the core courses into operational analysis, as students analyze a business process in a real company under the guidance of an interdisciplinary faculty team. Because we now offer many courses in a seven-week format rather than the more traditional 14 weeks, we have been able to offer students a richer set of course choices. And through our Global Citizenship program, we have set a tone that with exceptional privilege goes exceptional responsibility to the community. These are just a few examples. There are many others.

Q. Innovation seems to be a major component in all of them.

A. Innovation is only half of the story. The other half is a commitment to traditional academic excellence — a research-driven agenda coupled with top-quality students and faculty. And it's all part of a continuum — not a radical departure from previous agendas. We have built on existing strengths, experimented with how far we can push our strengths, and in the process of doing that, we have created new interrelationships that have, in turn, produced further innovations.

Q. It seems that we have developed important synergy between programs.

A. Yes. Many of our improvements and innovations influence other aspects of our programs. The expertise we have developed in executive education has led to a series of highly popular executive skills workshops for MBA students; innovations in our MBA orientation program have enriched the way we offer orientation for the BBAs, and so forth. Furthermore, this synergy does not apply only within the Business School. One of our most dynamic strengths derives from the fact that we are embedded in the University of Michigan with all of its first-class programs and departments. The excellent U-M Area Centers, such as the Center for Chinese Studies or the Center for Russian and East European Studies, have been an invaluable resource in the programs of the William Davidson Institute as it works with companies in transitional economies, and this is only one example. Our partnership with the College of Engineering to create the Joel D. Tauber Manufacturing Institute and with the School of Natural Resources and Environment to create the Corporate Environmental Management Program are two other important examples. What all of this means is that we are able to offer a wealth of varied learning opportunities to our students and faculty, and those opportunities exist at all levels, from the BBA through the Ph.D. and Executive Education programs.



B. Joseph White, Dean

Q. Does our innovative spirit apply at all those different levels?

A. Yes. Our Ph.D. program, for example, has instituted a new individualized program that allows highly talented doctoral students to customize their Ph.D. studies in certain areas. We have also recently begun a new "Society of Scholars" program, which aims to develop a new generation of creative researchers in academic fields related to business. Fellows in this post-doctoral program will spend three years in residence here to bring their disciplines to bear on critical issues in the rapidly changing business disciplines.

Q. What about our Executive Education programs? Does innovation apply there as well?

A. Absolutely. Our new joint venture with IESE, the Graduate School of Management of the University of Navarra in Barcelona, Spain, proved to be a tremendous success when it was offered in Switzerland for the first time. It's called "The Global Program for Management Development," and is designed for experienced managers and executives who have to cope with cross-boundary networks and those who need to understand the dynamics of global competition. Now it has been offered in Switzerland for a second time,

and will be offered in India and China in 1996. Incidentally, Executive Education, like so much in business, is becoming an international undertaking. Participants in our flagship one-month Executive Program are now about 50% international, and we have just established a new executive education facility in Paris, where nine of our most popular programs will be offered in 1995-96. We also will be offering ten programs this year in Singapore, Hong Kong, and Bangkok.

Q. We also have a top BBA program, don't we?

A. Our BBA program is one of a small group of truly excellent undergraduate programs in business. It was ranked third in the nation in the Sept. 18 issue of *US News and World Report*, which also ranked undergraduate business programs in selected areas and specialties. On those lists, *U.S. News* placed us among the five best schools in the country in several areas — accounting, finance, general management, international business, marketing, and production/operations management.

Q. So we could be described as a "full-range player" in management education.

A. Yes, and given the direction of the knowledge industry, I'm happy about that, because the ways



Philip T. Dattilo

in which people will choose to consume what we produce are extremely unpredictable. And the things we've discussed here don't even cover all of the ways in which we are a player in management education.

Q. What does it take to remain competitive in such an unpredictable environment?

A. The ability to be agile, adaptable, and flexible will provide an important competitive advantage in the future. You have to have the flexibility to shift the way in which you deliver what you do for your stakeholders, constituents, and customers. Companies that rely on us have multiple needs; they would rather deal with fewer "suppliers," and we can be a supplier covering a very wide range of their talent, knowledge, and education needs. So I think about the issue of the breadth and flexibility of our reach quite often, as well as the need to be able to change quickly. We *teach* change, and students need to see that we practice it.

Q. What's it like to lead in such an era of change?

A. Exhilarating. Rewarding. Challenging. An enormous amount of credit goes to our faculty who have led different pieces of change. The co-directors of the new Tauber Manufacturing Institute, for example, put together, in record time, an interdisciplinary cross-unit Institute of manufacturing excellence. Or take the Davidson Institute. A lot of credit goes to Ted Snyder and Hans Brechbühl for launching a high impact, far-reaching, international program from scratch. The MBA Review Team produced a massive amount of change in our MBA program, and our Teaching Committee initiated important improvements in the teaching environment. But none of these people just had the goal of making change. They had the goal of improving things. The goal is to do a better job of educating students, and in the process, you make a lot of change, but not change for its own sake.

Q. Now that we have this culture of innovation, where does it take us in the future? Should we expect innovations with different kinds of emphases?

A. Keep in mind that the goal is not to be innovative. The goal is to create excellent learning opportunities for our students and faculty. We've always let the pursuit of this goal determine our pace of innovation. So I cannot give you a

prediction about innovation. We're just going to do what we have to do to pursue this goal.

Q. Do you expect big changes in the next 5 years?

A. Change is now not a "big deal" here; it's become a way of life. It's expected. A lot of things happen today quietly that would have been difficult for us five years ago. In today's world it's important to be adept at change and do it at a fast pace. This means a culture change because universities are by nature conservative, in part for good reason. Society depends on us to be a conservator of knowledge, *but* we also have to become more proficient at change than we have been in the past, both because we are performing with higher expectations than ever before and because the worlds of knowledge and business are so dynamic.

Q. Why do you think we are performing with higher expectations than ever before?

A. We are in a really dynamic field — the worldwide knowledge industry. And my intention is for us to be a mainstream participant in that industry — not looking on from the periphery, but actively performing at the center. That means we need to produce high-value knowledge, and to disseminate it in innovative ways. Companies increasingly recognize knowledge as a source of competitive advantage. Individuals recognize it as a way to increase their mobility and their opportunities.

Q. Who are the participants in this knowledge industry?

A. Universities and colleges, of course, and also consulting firms, research institutes, and company-owned educational institutions are all participants. In addition, the way knowledge is delivered is changing — I think in the future we will see the School grow in ways different from the past.

Q. How will we grow in different ways?

A. People used to measure growth by the number of faculty on the payroll and the square footage of buildings, but that's becoming an increasingly flawed measure. Think of how irrelevant "number of volumes" is to measure the scale of a library in the electronic age. I expect the Business School to grow in the future, but some of the growth won't be particularly visible. Videoconferencing and business partnerships

will make it possible for a much larger array of people to be members of this community. It is also possible for us to become members of a wide expanse of global organizations, unlike anything we have seen before.

Q. You've spent five years encouraging and guiding innovation. What's happened to research during this time? Are the changes we are making in teaching influencing research?

A. There are three things about research that I would like to emphasize. First, the School is providing more support for research than at any other time in its history — in terms of teaching load, summer support and other kinds of financial support, and in terms of computer and library resources available. Second, we have higher expectations than ever before about research of high quality. This is evident in our promotion and tenure standards. Our new faculty development policy states that we require the faculty to have demonstrated excellence in either teaching or research and to be very good in the other category (either teaching or research). That sets a high standard. The third thing about research is that the visibility of our faculty has grown and grown, and many are highly visible and respected in their fields.

Q. About our students. What kind of person is graduating from the University of Michigan Business School MBA program?

A. The graduates we turn out are well-prepared to enter the business world as it is today. Yes, they have knowledge of the functions of business, but they also graduate with real hands-on experience in team work, working under pressure, and sizing up messy real-world situations. They are more polished, better as measured by GMAT scores, experienced and mature with a lot of potential. There is more informed self-selec-

tion now as well, because we are interviewing applicants. In addition, they are more diverse and more international. International students comprise over 20 percent of our MBA class.

Q. It has been said that higher education is headed for the same sort of public scrutiny, downsizing, and re-engineering that business itself has been going through in past years. Do you agree? And if so, do you have any thoughts about how that will affect the Business School?

A. Increased scrutiny is inevitable because we have control of the most important resource to help people cope and capitalize on all the changes happening in the world today — that's education. We determine what the education will be, who's going to get it, how much it will cost, etc., so society's expectations of us will continue to increase.

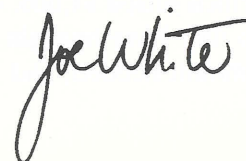
Q. And it all takes money, doesn't it? Any worries on that score?

A. When I was appointed Dean, I said that money would not be our biggest challenge, because I believed that if we performed well enough, the resources would follow. That has proven to be very true. We're now at \$83 million against our \$100 million campaign goal. Five years ago, we wouldn't have dreamed of such a goal. This success is a

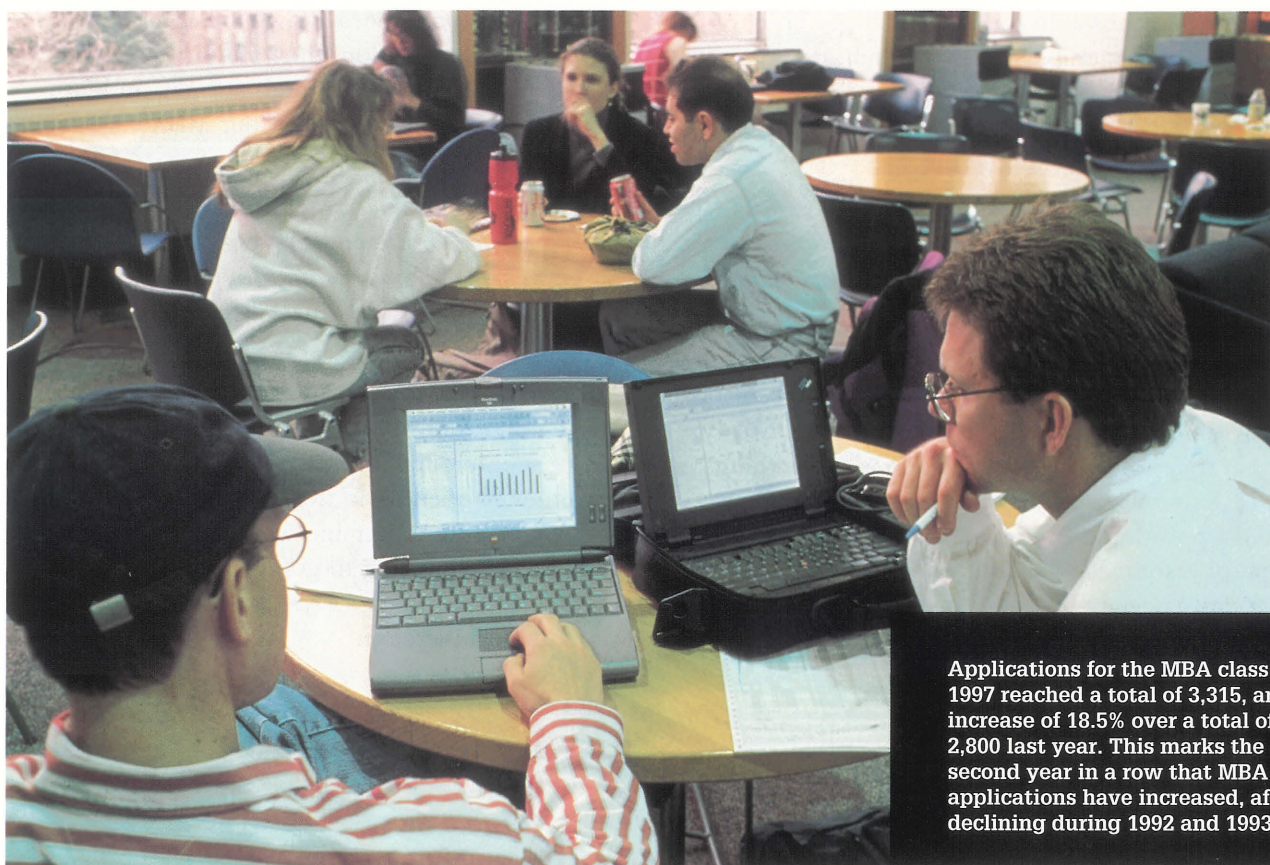
result of growing confidence by our donors that we deliver on commitments we make, and that we operate at a high performance level.

Q. As a final question, what do you worry about most as you look forward to the next five years? Anything that keeps you awake nights?

A. My biggest concern is growing our capability rapidly enough to fulfill with excellence all the commitments we have made, and at the same time, to grow the capacity we need to pursue the highest quality opportunities that are in front of us. What we can't risk is the quality of our performance.



"People used to measure growth by the number of faculty on the payroll and the square footage of buildings, but that's becoming an increasingly flawed measure. Think of how irrelevant 'number of volumes' is to measure the scale of a library in the electronic age."



Philip T. Dattilo

Applications for the MBA class of 1997 reached a total of 3,315, an increase of 18.5% over a total of 2,800 last year. This marks the second year in a row that MBA applications have increased, after declining during 1992 and 1993.

STUDENTS

"Just Build It" Say MBA Students of Habitat House

Students from the MBA class of 1996 have taken the Global Citizenship Program in a special direction by entering a two-year coordinated effort to build a home in Ann Arbor in conjunction with Habitat for Humanity of Huron Valley. The students have taken on the challenge of raising the funds (\$45,000) and providing the necessary labor to ensure construction of the home.

Many a fundraising project has taken shape since that commitment. For example, there was the inaugural B-School Run for Housing, with 177 registered runners, which raised \$1,200; the auction of faculty-provided services (e.g., golf with your favorite professor), which raised \$5,687; and a sale of "Class of 1996" T-Shirts, which raised \$1,000. Other fund-raising efforts to date have brought the total to half of the amount needed, and efforts continue.

Meanwhile, the foundation of the 1,300 square-foot house was poured this summer, and students began construction during orientation week in fall, 1995. Their goal is to have the house, which was designed by U-M architecture student Michael Muse, completed by the time they graduate in 1996. The family who will occupy the house is working alongside the students on the construction.

"We have undertaken this project as part of the Business School's Global Citizenship initiative, which encourages individuals and businesses to practice social responsibility," said Mark Milstein, second-year MBA student who worked with Habitat in Midland, Michigan last year while visiting Dow Chemical Company during the Global Citizenship orientation. After that experience, he and his classmates committed themselves to construct the Business

School's own Habitat House. "This project enables us to work closely with the Huron Valley chapter of Habitat for Humanity," commented Mark. "The project enables us to better understand the roles and dynamics of nonprofit organizations, offer our skills as business leaders, and acquire a clear understanding of the extent to which businesses and nonprofits share common goals within the community."

The "Business School House" is adjacent to two other Habitat homes in Ann Arbor, and is scheduled for completion by spring, 1996. One of the biggest challenges still facing the team, says Milstein, is the funding of the project. So students are continuing to raise funds, as well as to spend time on the construction of the house.



Gregory Fox



Project Courses Make the Classroom Travel

This year, more than 60 students were sponsored in project courses all over the globe by companies such as Ford Motor Company, Trinova, AT&T, Monsanto, Network Technologies, and Whirlpool. They wrestled with projects focusing on market entry strategies, competitive analysis, decisions on manufacturing locations, recommendations on the launching of new products, and assessment of opportunities available in different locations. Countries involved in the project courses included Germany, Spain, the Canary Islands, Poland, Hungary, the Czech Republic, Mexico, Russia, France, Great Britain, and Belgium.

Project courses at the University of Michigan Business School resemble the

medical model, where clinical experience enhances learning by integrating theory with practice. Teams of students work on problems provided by sponsoring companies. At the end of the course, each student team presents its sponsoring company with a written, detailed analysis of the assigned problem, and in addition makes an oral presentation of its analysis to representatives of the firm. For example, a four-person team studied the current infrastructure of the telecommunications industry in Mexico, extrapolated the needs of the country into the next decade, and developed a market entry strategy.

In addition to the project courses, some students participated in a study tour to South Africa.



MBA Domestic Corps Thrives and Grows

The MBA Domestic Corps, which started with two students in a pilot project four years ago, has grown to 20 students who applied their business skills to help domestic organizations and non-profit agencies over the summer.

The MBA Domestic Corps is now partnering with the Whirlpool Foundation, which sponsored three interns in communities where it has a corporate presence; with Union Pacific, which sponsored three interns on the Navajo reservation in Arizona; with the Lawson-Valentine Foundation, which sponsored internships at Standing Rock Sioux Nation in North Dakota and at Apache County in Arizona; and with AmeriCorps, which sponsored four internships, including one to develop a business plan for a business incubator in the City of Detroit, and another to develop a business plan and manage an outdoor market in Mexicantown, Detroit.

Other internships were sponsored by the Jameson Foundation for the re-engineering of a manufacturing operation for the Chippewa Tribe in Sault Ste. Marie; by the Community Founda-



Donna Long, Director of United Way of Oxford/Lafayette County, is pictured in front of the courthouse in Oxford, Mississippi, with Chris Reynolds, MBA Whirlpool Foundation intern who helped set up a strategic plan for United Way — assessing the needs of the member organizations and improving the distribution of funds. This year the Whirlpool Foundation sponsored three internships of the MBA Domestic Corps. The Whirlpool Corporation has a manufacturing plant in Oxford.

tion of Southeastern Michigan and Ameritech, for the development of a business plan for a cooperatively owned bakery in downtown Detroit; by George Nichols to help the Washtenaw Development Council in a strategic planning process; by Peter and Susan Ordway to assist start-up businesses in Battle Creek; and by Tom and Pat



Several corporations have sponsored internships in locations that are linked in some way with their company. For example, Union Pacific Railroad, which has many Navajo employees, sponsored three interns who worked with Navajo Community College (NCC). Pictured here at the Navajo Community College are Charles Eisele, vice president of purchasing at Union Pacific (right), Dr. Tommy Lewis, president of NCC (left), and Trish Jorgensen, assistant vice president of civic and community affairs at Union Pacific. Among other projects, interns provided strategic planning training for NCC administrators, undertook an economic empowerment needs assessment, assisted the Adah Community Loan Fund in organizing lending circles, and worked on a variety of business development projects throughout the Reservation.

Jeffs, to work with Focus:HOPE in Detroit on the implementation of a new management information system.

The Hudson-Webber Foundation also sponsored an internship to assist in integrating a for-profit real estate development company into the Warren/Connor Development Coalition, its parent non-profit organization on the east side of Detroit.

"Society of Scholars" Nurtures Researchers

A "Society of Scholars," which aims to nurture the development of a new generation of creative researchers in academic fields related to business, is now established at the Business School. Fellows will spend three years in residence here to bring their disciplines to bear on critical issues in the rapidly changing business environment in the U.S. and around the world. One of the goals of the Society is to provide financial and intellectual support for outstanding scholars at the beginning of their academic careers.

Scholars will be appointed for a three-year term, and must have received a Ph.D. degree (or equivalent) between January 1, 1992 and September 1, 1995. Ph.D. graduates of the University of Michigan Business School are not eligible for these fellowships. Each scholar will have a three-year appointment as assistant professor. This appointment is not tenure-track and will terminate at the end of the fellowship period.

Scholars are expected to be in residence in Ann Arbor during the academic years of the fellowship, to teach for the equivalent of one academic year, and to devote their energy to their scholarly work. Each scholar will be affiliated with one of the faculty groups within the Business School, and will be expected to collaborate with Business School faculty and Ph.D. students, and other faculty at the University of Michigan, in addition to pursuing their independent work.

Michigan BBA Team Wins First Place in National Case Competition

Four University of Michigan BBA students trained hard for the first annual "National Undergraduate Challenge" case competition, held in Austin, Texas. They knew they would have just 36 hours to analyze a complex business problem, develop a solution, organize a 25-minute presentation of findings, and prepare any related written and visual materials. When team members returned to Michigan, having won first place, they were honored at a reception to which all BBA students were invited, and during which a lively discussion ensued focusing on the competition itself, as well as on careers available in the consulting field.



Gregory Fox

Members of the winning team—BBA students Scott Bennett, Mark Betker, Steve Kessler, and Adam Sonnhalter—were assisted by U-M faculty members, including Paul Bacdayan, U-M Ph.D. candidate, who served as their adviser and went to Austin with them; Will Mitchell, associate professor of corporate strategy, who offered a number of cases he had written plus his valuable insights on how to analyze and present a case; and Kay Erdman, adjunct lecturer in business communications, who gave the team help in crafting effective presentations.

Teams were judged by a panel of corporate professionals from the three firms that sponsored the event: Arthur Andersen, Coopers & Lybrand, and McKinsey & Co. After each presentation, the presenting team was subject to an extensive question and answer period from the judges. A particular benefit for the Michigan team, explained member Adam Sonnhalter, was the balance of expertise they possessed. Two members were majoring in business and finance, one in computer and information systems, and one in marketing and business economics.



Gregory Fox

Student Teams Evaluate Assorted MAP Projects

Business School classrooms were especially busy on a cold Friday in February, the designated "MAP Introduction Day." More than 60 company representatives staked out locations in classrooms all over the School and were ready to describe their proposed MAP projects to roaming student teams. At the same time, with written project descriptions in-hand, the students set out to find their ideal MAP project.

MAP, which stands for "Multidisciplinary Action Projects," takes place during the last seven weeks of the first year of the MBA program. It provides an opportunity for first-year MBA students, working under the guidance of an interdisciplinary faculty team, to apply core course concepts and theory to an actual business process. MAP is intended to further develop students' skills in process management and to improve their understanding of how different disciplines interact in a real business environment. Each MAP team consists of six or seven students whose mission is to develop a thorough analysis of a business process and to recommend process improvements. Faculty guidance is provided on such topics as project planning, the first client visit, the preparation of a competitive analysis report, data analysis and rigorous support for recommendations, the final presentation, and the final report to the company.

One typical team's background included experience in engineering, accounting and

MAP INTRODUCTION DAY
Friday - February 10, 1985
Sections 1 and 4

Room Locations for Student Meetings, 2:30 to 4:30 PM

ROOM	COMPANY NAME	DESCRIPTION
B1276	AlliedSignal	Accounts Payable
B1270	AT&T	Service and Product Pricing
B1273	Chrysler Corp. - Project #1	Service Procedure and Documentation Development
B1276	Coopers & Lybrand L.L.P.	Career Development
B1270	Coffman Company	Purchasing and Supplier Evaluation
B1273	ERM	Management Benchmark Evaluation
B1276	Fayette Tubular Products, Inc.	Engineering Change and Cost Recovery
B1270	Ford Motor Co. - Project #1	DIMS Computerized Work Allocation
B1276	Ford Motor Co. - Project #4	Paying of Quality Improvement Actions
B1273	Holham Inc.	Payroll and Related Cash Disbursement
B1276	Horizon Inc.	Quoting System
B1270	Johnson Enterprises, Inc. - Project #2	Communication with Lead Suppliers
B1273	MBO Mortgage, Inc. - Project #2	Construction Loan Servicing
B1276	Phaser Services, Inc.	Product Pricing
B1270	Perrigo Company - Project #1	Now Product Development
B1276	PPOM	Problem Claim Resolution and Quality Assurance
B1273	Sprint/United Telephone - Project #1	Customer Service Records Compilation and Maintenance
B1276	Steelcase, Inc.	Order Changes
B1270	Toledo Museum of Art	Membership Development
B1273	TRW, Inc. - Project #2	Switch Product Development
B1276	Ward Bank Group	Training Administration
B1276	Xerox Corporation - Project #1	Records Management

Gregory Fox

finance, advertising, marketing, and consulting. After careful questioning of company representatives, they drew up their "Top Ten" project list based on answers to the following questions: Is the scope reasonable? Does the company seem to be accommodating? Is there buy-in by senior management? Will the company seriously consider implementing our recommendations? Is the project interesting? Fifty-nine other teams were going through similar discussions, and in the end coming up with a ranking of their preferred projects. Teams and projects were then matched on the computer by Professor Paul Sweeney, Director of the MAP Program. With 60 teams and 66 prospective projects, it was possible to assign every team to a project falling within its top seven choices.



Gregory Fox

TEACHING



▲ A course in progress at the Daewoo Video Conferencing Center in Seoul, Korea, built especially to accommodate the Michigan Global MBA Program for high-potential managers of the Daewoo Group. Students are taught by Michigan professors via video conferencing and visits to Seoul, along with two semesters in residence in Ann Arbor and a full-length MAP field project. The University of Michigan Business School also offers a Global MBA for Cathay Pacific in Hong Kong.

◀ The new Distance Learning Center in the Kresge Business Administration Library opened this year. There faculty are able to teach students around the world via satellite links. Pictured left, Anne Harrington, director of the Teacher Development Program, moderates a discussion in the Center on course design and presentation issues pertinent to classes taught via distance learning.



Gregory Fox

Teacher Development Program Offers Fourteen Workshops

The ongoing Teacher Development Program (TDP) at the Business School offered 14 workshops during the year, some of which were attended by more than 50 people. Topics ranged from improving lecturing skills to managing collaborative project groups (jointly sponsored by TDP and the Center for Research in Learning and Teaching) to using computer graphics techniques for enhancing instruction (jointly sponsored with the Computing Services Department) to teaching with the case method.

The Teacher Development Program also sponsored a mini-conference of our most experi-

enced teachers in distance learning, to exchange ideas and techniques for getting the most from distance learning technologies. Interactive video training sessions, designed to enhance teaching skills with distance learning technologies, was also offered by the Program..

"The Teacher as Coach," a forum on the skills required of teachers in skill-based and project-based courses, and a session entitled "Teaching International Students" are now under development by Anne Harrington, director of the Program and lecturer in business communications.

Symposium Developed on the Teaching Environment

A Symposium on the Teaching Environment took place in January, 1995. It was sponsored by the Teaching Committee of the University of Michigan Business School. The Symposium addressed the values that permeate the teaching community and incorporated the teaching concerns of faculty who have been here three years or less.

Each year, the Teaching Committee sponsors a large Symposium or workshop in addition to its other initiatives. In the past, symposia have focused on such subjects as the "Effects of the TQM Movement on Teaching Improvement," and "Techniques for Teaching the Case Method."

The Committee is also working on ways to help new faculty members develop top teaching skills, and plans to tackle the difficult issues surrounding the evaluation of teaching.

The Teaching Committee was established three years ago to support, stimulate, and develop teaching excellence, and has been extremely active since its inception. Susan Ashford, associate professor of organizational behavior and human resource management, is chair of the Committee. Her work with the Committee earned her this year's Leadership in Teaching Award, given by the faculty to recognize multi-year contributions to teaching, such as new course development, colleague or student mentoring, and pedagogical leadership.

B School Ph.D. Student Wins University-wide Teaching Award

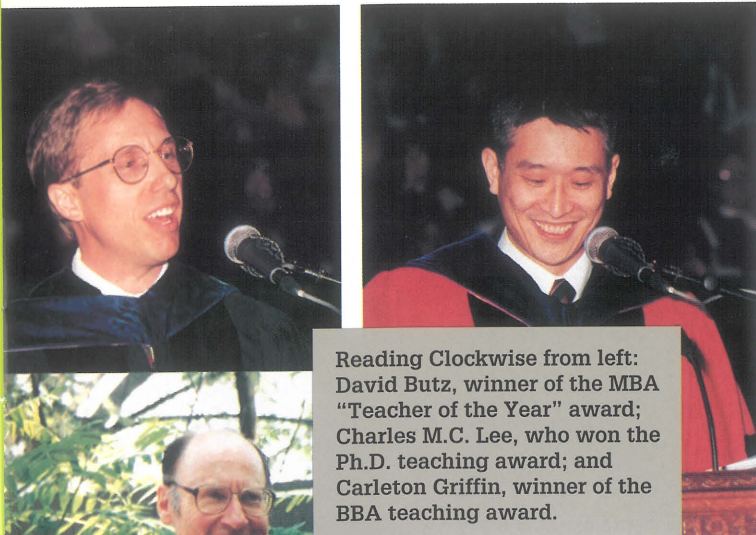


Paul Bacdayan, Ph.D. candidate in organizational behavior, has won a University-wide award for teaching excellence.

Paul Bacdayan, Ph.D. candidate in organizational behavior at the Business School, has won a university-wide "Outstanding Teaching Assistant Award." Only ten of these awards are given each year, and this is the first year a Business School Ph.D. student has won. The University has about 4,000 Ph.D. students who are eligible to be nominated for the award.

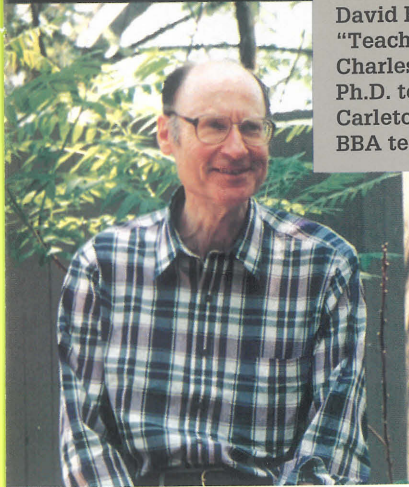
Reasons cited for selecting Bacdayan for the award, besides effectiveness in the classroom, included his volunteering to coach a BBA case team (which won a national championship — see page 9); his mentoring ability and willingness to spend as much time with his students as they need; his work in helping to redesign the introductory undergraduate course, and his ability to practice what he preaches, or, as one student put it, "For being a man who walks his talk." Bacdayan's research explores how managers acquire leadership skills associated with Total Quality Management.

Criteria used to choose the winners of the award included: effectiveness and creativity as a teacher; promise of professional growth as a scholar and a teacher; and effective interaction with students outside the classroom as a counselor and advisor.



Reading Clockwise from left: David Butz, winner of the MBA "Teacher of the Year" award; Charles M.C. Lee, who won the Ph.D. teaching award; and Carleton Griffin, winner of the BBA teaching award.

Photos by Gregory Fox



Teachers of the Year Honored at Commencement

"Teacher of the Year" awards, given by students to recognize outstanding teaching, were awarded

this year for excellence in teaching in the BBA program and the MBA program; as well as excellence in teaching in the doctoral program, which includes mentoring, advising, reading, and critiquing work as well as classroom teaching of doctoral students.

David A. Butz, assistant professor of business economics, was the winner of the MBA teaching award and received rave reviews from students. As the professor for three core MBA courses, he used such inspirational PowerPoint slides in his lectures that his students presented their own PowerPoint tribute to him. He comes to the University of Michigan Business School from UCLA, where, although his courses were known as very demanding, they were so popular that they had to be restricted to a select group of undergraduate students who were double-majoring in economics and business.

Other "master teachers" who were honored this year included Carleton Griffin, professor of accounting, who won the BBA teaching award; and Charles M.C. Lee, associate professor of accounting, who won the Ph.D. teaching award. This is the second year in a row that Lee has been a winner; last year he received the MBA teaching award.

Language Classes Focus on Business Proficiency

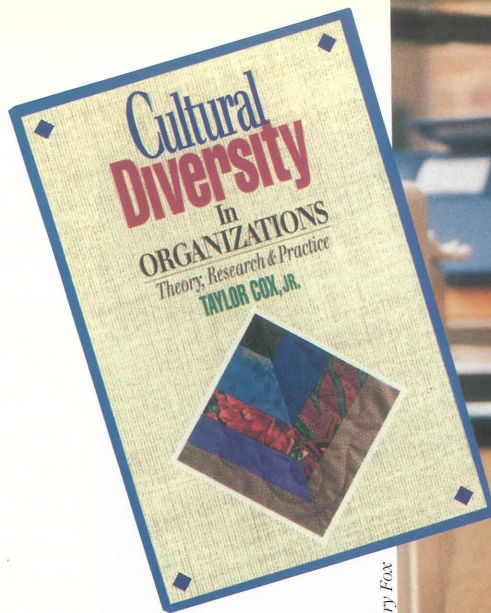
Developing oral proficiency for conducting business in the Mandarin-speaking regions of Asia is just one of several courses in advanced language training for business professions being offered through the Center for International Business Education of the University of Michigan Business School. All such courses require between two and four years of study of the language as a pre-requisite.

The course in Business Chinese emphasizes oral ability, but students also learn written patterns for business correspondence; the course in Business French is designed for students at the fourth-year level, with the intent of developing participants' awareness of business matters and professional cultures in France. It includes videotapes of actual business sessions, role playing, and simulations.

A course in Business German is offered — conversation-oriented and conducted in German, which includes texts from major German professional journals and newspapers, as well as German business reports and videotapes. A course in Business Spanish has been particularly popular. It requires an intermediate level of Spanish as a prerequisite, and focuses primarily on the business cultures of Mexico and Argentina. Guest speakers from international corporations, as well as consular representatives, are featured in the class.







Gregory Fox

RESEARCH

On these pages, we bring you vignettes that briefly describe a fraction of the research that goes on at the University of Michigan Business School. The diversity of interests and the quality of our faculty mean that the research done here ranges over a wide variety of questions that often bear directly on the competitiveness of American business.

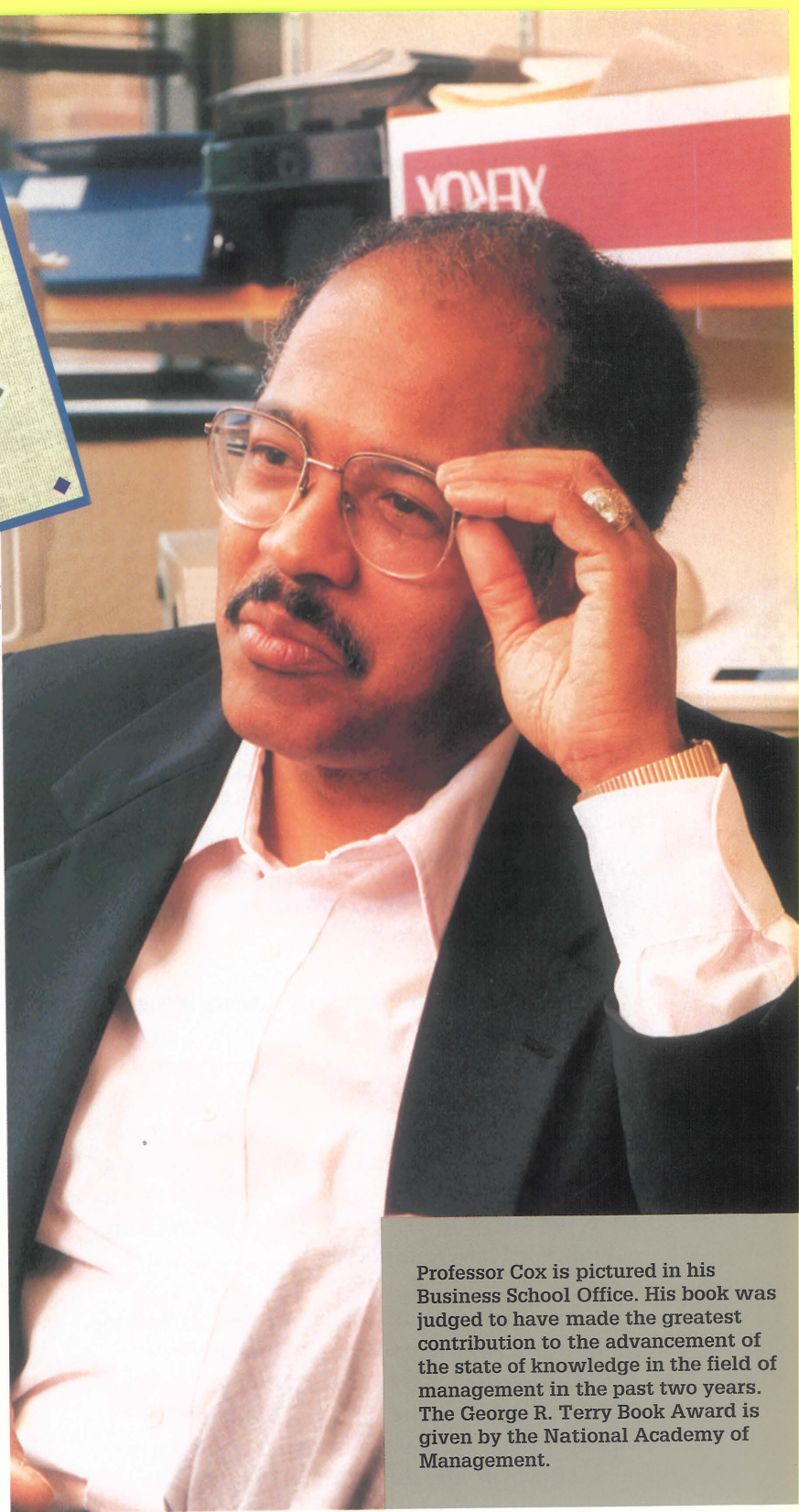
Award-Winning Book Captures the Complexity of Diversity

Business School Associate Professor Taylor Cox, Jr. has won the George R. Terry Book Award of the National Academy of Management for his book, *Cultural Diversity in Organizations: Theory, Research, and Practice*.

The book is developed around a specific conceptual model that frames the issues in a systematic way, and discusses the dimensions and dynamics of diversity across many types of group identities. It employs three levels of analysis — the individual, the group, and the organization. Author Cox says he believes this multidimensional approach comes closer to capturing the enormous complexity of the topic than would be true if only one perspective were emphasized.

Part one of the book presents Cox's conceptual model of diversity on which much of the book is based, and makes the case for why managing diversity is among the most important management challenges of the decade. Parts two,

three, and four explain how gender, race, nationality, and cultural diversity dimensions influence organizational behaviors and outcomes. Part five is devoted to a discussion of organization development for managing diversity. Suggestions are given for the design and implementation of organization change processes for enhancing the capability to manage diversity.



Professor Cox is pictured in his Business School Office. His book was judged to have made the greatest contribution to the advancement of the state of knowledge in the field of management in the past two years. The George R. Terry Book Award is given by the National Academy of Management.



Under a \$420,000 grant from the National Science Foundation, Assistant Professor Kathleen Sutcliffe is doing research on a theoretical framework underlying Total Quality Management.

Should TQM Approaches Be Modified for Different Circumstances?

A grant from the National Science Foundation for \$420,000 has been awarded to Kathleen Sutcliffe, assistant professor of organizational behavior and human resource management, and her co-researcher, Sim Sitkin of Duke University, for work on a theoretical framework underlying Total Quality Management. The competition was keen for the grant — over 1,000 proposals were submitted; 16 were funded.

An article by Sitkin, Sutcliffe and Schroeder in the July, 1994 *Academy of Management Review* discusses mechanisms by which specific TQM strategies can be tailored to different organizational conditions to enhance effectiveness. However, the theory on which the article was based has not been tested in the field, and conducting such tests is the primary purpose of the NSF funded research.

The proposed research will take place over three years, and will both test and extend the existing theoretical framework. In the first phase, the researchers plan to conduct mini-case studies that will test the theory. In the second phase, they will conduct a national survey building on

the theory. In the third phase, they will prepare and pilot-test management materials based on the findings.

The researchers explain that up to now TQM has lacked a well-grounded behavioral theory base to understand why TQM approaches are more or less effective in different circumstances, to predict conditions under which current TQM approaches might need to be modified, and to suggest how TQM

might be adapted to meet different situations so as to enhance its effectiveness.

Learning More About the Nature of Privatization Transactions

The William Davidson Institute has been awarded a grant of \$255,000 from the U.S. Department of Treasury to conduct a six-month study of transactions by which a bank is transferred from state hands to private owners. Detailed case studies will be done on one bank in each of three countries — the Czech Republic, Poland, and Russia. The experiences of certain banks in Hungary will also be studied.

For each bank, the study will describe and analyze the financial aspects of the privatization transaction, but will also look more broadly at the economic, political, and legal factors and events that influenced the banks' privatization. The researchers plan to produce an overarching paper that analyzes the nature and results of privatization transactions.

Co-directors of the project are Edward Snyder, now associate dean of the Business School and formerly director of the Davidson Institute, and Roger Kormendi, professor of business economics and public policy.

Competing for the Future Is Now Available in 13 Languages

Competing for the Future, a new book by C.K. Prahalad, professor of corporate strategy, and London Business School Professor Gary Hamel, has been translated into 13 languages since it was published in September, 1994, and is still selling at a phenomenal rate.

The book received high praise from reviewers. "If there is room for only one management book on your reading shelf this year, this is it," advises Steven Pearlstein in a *Washington Post* article. And David Sainsbury writing in the *Financial Times* says, "I predict that this book will be a big success, and that many businessmen will gain competitive advantage from reading it. It provides a more coherent view of strategy than Kenichi Ohmae's *The Mind of the Strategist*, is more original and stimulating than *In Search of Excellence*, and is certainly more enjoyable to read than Michael Porter's volumes on *Competitive Strategy* and *Competitive Advantage*."

Published by Harvard University Press, *Competing for the Future* is now available in French, German, Chinese, Portugese, Dutch, Korean, Japanese, Italian, Spanish, Indonesian, Swedish, Thai, and Turkish. The Japanese translation was done by five University of Michigan Business School alumni.



Gregory Fox

Life Without the Income Tax: Paradise or Pandora's Box?

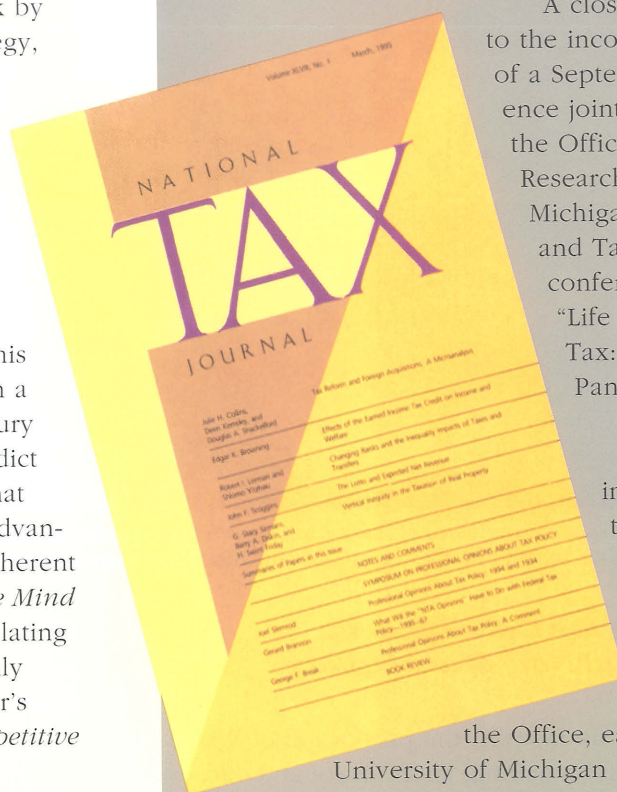
A close look at alternatives to the income tax was the topic of a September, 1995 conference jointly sponsored by the the Office of Tax Policy Research at the University of Michigan Business School and Tax Analysts. The conference was entitled, "Life Without the Income Tax: Paradise or Pandora's Box?"

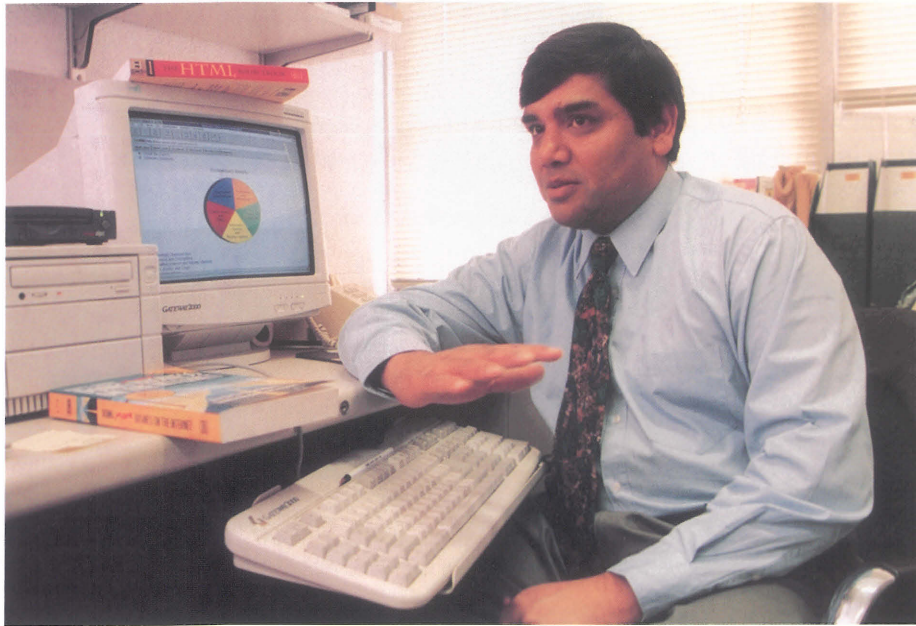
Topics such as the implications of the flat tax proposals, international coordination of tax policies, and the impact of the 1986 tax reform, have all been researched by

the Office, established at the University of Michigan Business School in 1987. The Office makes its results available to the public through conferences, scholarly publications, and publications aimed at policymakers, business, and other non-specialist audiences.

Directed by Joel Slemrod, professor of business economics and public policy, the Office encourages and facilitates joint research on the tax system by economists, accountants, and scholars of other disciplines. It also serves as a liaison on tax issues among the academic, business, and policymaking tax communities. This year, Professor Slemrod has testified before the Senate Finance Committee, the National Commission on Economic Growth and Tax Reform, and the Bipartisan Commission on Entitlement and Tax Reform. Professor Slemrod is also currently editor of the *National Tax Journal*, the leading academic journal on tax issues.

The Office of Tax Policy Research sponsors several continuing programs designed to promote research in taxation, including a visiting scholar program, a visiting speaker series, and internal, interdisciplinary workshops on tax policy issues. It also operates the Ernst & Young/University of Michigan Tax Research Database, which facilitates researchers' access to public-use individual and corporate tax return databases.





Sunil Gupta, assistant professor of marketing, does a semi-annual survey of users of the World Wide Web, which provides companies insight into its strengths and weaknesses.

Gregory Fox

conditions, per capita Web-based purchases could increase by as much as 70% during the next six months.

The HERMES Project, named after the Greek messenger god, consists of several projects including two enduser surveys, an electronic survey of the individuals using the World Wide Web, and a conventional mail survey of the corporations using this medium to communicate with their customers and suppliers. The project also keeps track of the rate at which new busi-

nesses are establishing an electronic presence, and the rate at which some of them are closing down.

Tracking the Development of a Brand New Marketplace

In just six months, the proportion of World Wide Web users gaining access through educational institutions has dropped from 51% to 27%, average household income of Web users is up almost 16 percent (from \$59,600 to \$69,000); and the average age of users has increased by four years to 35.

These are some of the findings from the latest semi-annual survey of Web users conducted by the University of Michigan Business School's HERMES Project (in collaboration with Georgia Tech.) Under the direction of Sunil Gupta, assistant professor of marketing at the Business School, Michigan's analysis is charting the development of a new marketplace, and providing companies early insight into its strengths and weaknesses.

For example, the survey provides clear evidence that improvements in secure transmission and greater trust in Web vendors (who are often unknown entities to Web users) are crucial to jump-starting commercial transactions on the Web. In fact, respondents to the survey indicated a clear desire for active participation by trusted financial intermediaries, such as credit card companies and major banks. Given the right

"Understanding the dynamics of individual use of the World Wide Web, and relating these changes to how corporations are using and should use the Web for commercial purposes, is crucially important. By tracking both groups, we expect to provide unique and powerful insights into how such interactive media can be expected to develop and grow," comments Professor Gupta. (More details on the survey and how to join the corporate panel, currently composed of over 600 companies worldwide, are available at the HERMES site:<http://www.umich.edu/~sgupta/hermes/>, or by sending e-mail to: sgupta@umich.edu).



Recent books by the faculty.

Studying the Truck as A Competitive Weapon

Virtually every product moves in a truck at some point in the chain that links producers to customers, making the trucking service industry a crucial link in boosting the performance of business.

To find ways the trucking industry can better support efforts of American businesses to improve competitiveness is the goal of a \$2.2

million grant from the Alfred P. Sloan Foundation to the University of Michigan Business School

and the University of Michigan College of Engineering.

The Sloan Foundation grant will support a pilot study to identify major issues facing the trucking industry—such as the demand for short and predictable cycle times and workforce needs in today's trucking industry.

The program is another in a growing list of cross-disciplinary partnerships—this one combining the capabilities of the Business School, College of Engineering, and Transportation Research Institute. A private-industry advisory board also will work with the program.

The Sloan Foundation supports 10 centers nationwide, including the new center at Michigan, for the study of industries that are key to overall improvements in U.S. competitiveness.

Another key player in the small business research arena is David Brophy, associate professor of finance and director of the Office for the Study of Private Equity Finance at the Business School, who currently leads a team of 15 professors from various universities in a research study for the White House Conference on Small Business entitled, "Prospects for Small Business and Entrepreneurship in the 21st Century." Two other Business School professors are among the team of 15—they are John Jackson, whose work is described above; and Francine Lafontaine, assistant professor of business economics, whose research focuses on franchising and its role in the U.S. economy.

This study looks at the factors, forces and public policy issues which will shape the role and stature of small businesses and entrepreneurship for the next 50 years. Preliminary findings were published during the White House Conference on Small Business in June, 1995. The final report was released to Congress September 30, 1995 and will be published in book form in spring, 1996.

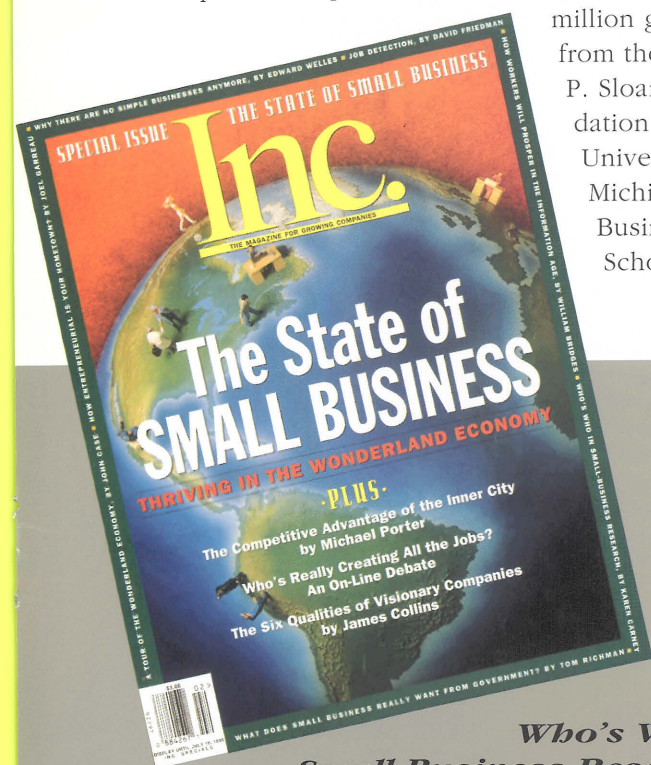
Brophy is founder of the annual Growth Capital Symposium in Michigan, which introduces the area's best entrepreneurs to venture capitalists from around the world. In 1995, he opened a second Symposium—this one overseas—to help companies in Central and Eastern Europe gain access to international equity markets.

Who's Who in Small Business Research?

An article entitled "Who's Who in Small Business Research" in *Inc.*'s special issue on small business, listed John Jackson, professor of business administration, as a key player.

Jackson studies wealth-building in free-market and transitional economies. According to *Inc.*, Jackson has found that tiny start-ups, including ones in lackluster industries, create good jobs that become better as companies flourish. Large start-ups may survive longer, but they don't breed the same long-term jobs that tiny start-ups do.

Jackson is developing a database of Polish organizations. He wants to measure the economic activities of start-ups there to determine how their contributions stack up against larger, private, foreign, and state-owned industries.





ALUMNI

Global Blue and Alumni Society Delegates Meet for Strategic Planning

Twenty-five class representatives and representatives of Business School Alumni Societies met in Ann Arbor this summer for the first time to discuss strategic issues as well as operational procedures that will strengthen the alumni network, both within classes and in cities and regions around the world.

Global Blue was founded in 1985, and all but two classes were represented at the conference. Representatives from alumni societies in Japan, Washington, D.C., New York, Cleveland, Houston, and Chicago attended as well. "These two groups are fundamentally important to our alumni outreach efforts," said Jeanne Wilt, MBA '89, director of Alumni Relations. "This conference was a milestone event, and we are indebted to these alumni for their commitment to the Business School."

Besides the in-depth discussions held between the groups, the representatives also found time to have a group picture taken (see picture at left). After the meetings, they attended the Michigan/Virginia football game and enjoyed dinner together. The conference ended with a Sunday morning brunch and wrap-up discussion summarizing the conclusions of the previous day's sessions. The group also committed to meeting annually to continue planning for the alumni network.

Back Row: Ravi Mohan, MBA '96; Nicole Kelly, MBA '86; Paul MacMillan, MBA '90; Scott Stieler, MBA '92 (NY Alumni Society); Mike Held, MBA '88; Karen Mishra, MBA '88; Margaret Mordy, MBA '95.

Third Row: Jay Carrillo, MBA '94 (Houston Alumni Society); Mona Gohla, MBA '96; William Taylor, MBA '77 (Washington DC Alumni Society); Sandra Minke, MBA '96; Chris Sultz, MBA '90; Cindy Johnson, MBA '92 (Chicago Alumni Society).

Second Row: Liane Kufchock, BBA '88; Chris Ordway, MBA '95; Kitty Cardaci, MBA '90; Jacqueline Cudahy, MBA '94; Deanna Bremer, MBA '92 (Cleveland Alumni Society).

Front Row: Ken Todd, MBA '96; Diana Shirley, MBA '93; Takeo Suzuki, MBA '76 (Japan Club); Ronni Goldberg, MBA '93.

Faculty Meet Alumni All Over the World

"Greetings from the sunny tropics of Singapore," wrote Thomas J. Schriber, professor of computer and information systems, upon his arrival at the Department of Decision Sciences at the National University of Singapore, where he spent a sabbatical semester. While there, he enjoyed getting to know U-M alumni, including Michigan Ph.D.s Yue Kee Wong and Hee Sen Jong, both faculty members at the National University of Singapore; and Pheng Lui Chng, who is teaching at the National University of Singapore while finishing up his Michigan Ph.D. He also got a chance to meet occasionally with other U-M alumni in Singapore. Faculty members who travel the globe meet Michigan alumni everywhere in the world.

En route to Singapore, Schriber and his family stopped in Seoul, Korea, where they were grandly hosted by his former Ph.D. student Moon Kee (Daniel) Min, who is currently president of DongSung Inforcomm, with locations in Seoul and Virginia. He and his brother, Sang Kee Min, both have their Ph.D.s from the University of Michigan Business School. Sang Kee Min is on the faculty of Seoul National University.

Schriber's letter also commented, "I think it's notable that seven Korean Ph.D.s from the Business School turned out almost at a moment's notice for dinner and to talk about the 'good old days' at the University of Michigan."

These are only two examples of the many informal gatherings that take place around the world between visiting faculty and loyal Business School alumni.



Black Alumni and Students Meet at 19th Annual Conference

Panel sessions on a number of current business issues, a case competition, a reception hosted by Dean White, and a keynote address, as well as a number of social events, were on the agenda at the 19th annual conference sponsored by the University of Michigan Business School's Black Business Students Association. More than 50 alumni, as well as 150 current MBA and BBA students and African American business leaders from around the country, turned out for the conference.

One of the most popular panel sessions every year is entitled "Strategies for Growing the Business." This year's panel featured three alumni who addressed a wide range of issues that entrepreneurs and new business owners typically encounter. The panelists included Dee Guillory, MBA '91, founder of D.G. Consulting, a marketing and new business consulting firm located in Cherry Hill, N.J.; Michael Thomas, MBA '89, executive director and CEO of Executive Suite, which he acquired from IBM in 1992. His firm, located in Silicon Valley, provides management consulting services to several Bay Area companies; and Richard Robinson, MBA '89, president of Bright Futures Youth Success Seminars, who presented a sample business plan for a start-up venture, and spoke about protective measures that should be used by any start-up business to ensure that the owner's losses are minimized.

The case competition was won by the team of Jerrold Smith, Carlos Brown, and John Washington, who analyzed a case that dealt with a restructuring of the corporation that markets Patagonia sportswear. The winners will represent the University of Michigan Business School at the National Black MBA Association case competition in Boston.



Professor Schriber and Michigan Ph.D. Moon Kee Min, president of DongSung Inforcomm, are pictured at the "Korean Village," a sightseeing spot south of Seoul.

Networking Is the Focus at the 1995 Women's Forum

In the late 1970s, Elaine Ullian, now President and CEO of Boston University Medical Center Hospital, joined with a few women colleagues and began weaving a network that eventually included more than 100 women health-care professionals.

Ullian's account of that group's strategies, achievements and frustrations kicked off the third annual Women's Forum, sponsored this year by the Michigan Business Women, the Business School's Office of Alumni Relations, and the School of Public Health, of which Ullian is an alumna.

Ullian had returned to the University for this event as both a speaker and living example of the forum's theme, "Networking: How We Use It to Our Advantage." She described how a network of about a dozen women colleagues "grew up" professionally together. They coached each other through good and bad times, and served as peer mentors, advising each other on management problems, such as dealing with employee dissatisfaction. Underpinning the entire network, said Ullian, was a high element of trust.

By the early 1980s, most of the core group had moved into senior positions in middle management. Ullian became vice president of clinical operations for the New England Medical Center Hospital in 1984 and Linda Shyavitz, a 1968 graduate of U-M, was external affairs administrator of Boston University Hospital. Yet the top executive positions at major hospitals still eluded women, despite a 30 percent annual turnover in hospital CEOs. "So during one of our dinner



Photos by Gregory Fox

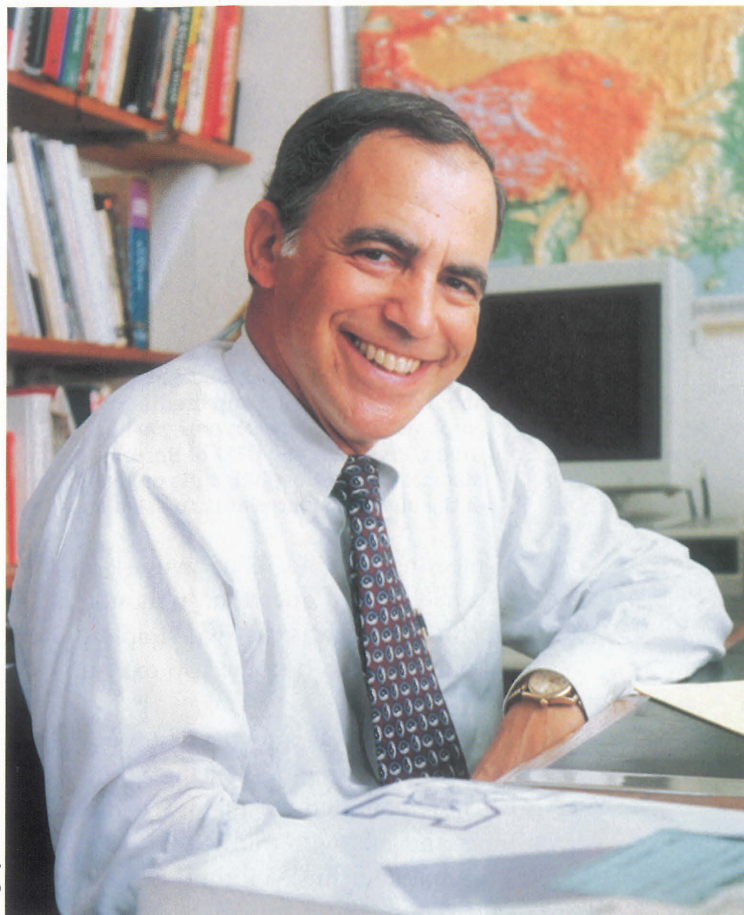
Pictured above, a panel discussion in progress about communication and credibility in the corporate world; left, keynote speaker Elaine Ullian, President and CEO of Boston University Medical Center Hospital, calls on a member of the audience who wants to ask a question.

meetings," said Ullian, "we asked ourselves the question, 'why not us?' The answer was that we simply didn't know how to become top executives."

What followed was a focused strategy designed to prepare members of the group for a top spot. They identified the major executive search firms and met with top headhunters who "found our goal amusing, yet good business for them," said Ullian. "Even though they thought it was a long shot, they told us how to compete for top executive positions." The women also solicited input from members of boards of directors, and experts in executive compensation. This program of self-education and confidence-building had impressive results. "Out of 12 to 15 women in our network, four became CEOs of Massachusetts hospitals and the fifth, president of Wellesley College—all within two years," said Ullian, whose talk was enthusiastically received by the crowd of about 400 participants.

Following Ullian's presentation, Forum participants had the choice of attending interactive group sessions on four different topics, including: Power and Influence, Communication and Credibility, Entrepreneurs in Action, and Negotiation Techniques.

NEW CHAIRS AND



Professor Kenneth Lieberthal

Prof. Kenneth Lieberthal Named to Davidson Chair

Dr. Kenneth Lieberthal, professor of political science and research associate of the Center for Chinese Studies, has been appointed to the William Davidson Professorship of Business Administration. Professor Lieberthal, who speaks both Russian and Chinese, has been with the Center for Chinese Studies since 1983, and was its Director for three years. He has written and edited a dozen books and numerous articles on China, and consulted widely on Chinese affairs. He serves or has served as a consultant for the U.S. Department of State, the World Bank, the Kettering Foundation, and firms in the private sector. His recent work has focused particularly on policy process in the economic

realm in China. In 1995, he received the Arthur Thurnau professorship, one of the University's most prestigious awards. It is conferred on a handful of faculty whose "commitment to and investment in undergraduate teaching has had a demonstrable impact on the intellectual development and indeed, the very lives of our students." Professor Lieberthal will have a joint appointment between LS&A and the Business School.

Lieberthal, who holds a BA from Dartmouth College and two MAs and a Ph.D. in political science from Columbia University, serves as an area specialist for the Global Leadership Program of the University of Michigan Business School, teaches in Executive Education programs here, is Director of our degree programs on Chinese business, and is also a faculty associate of the Center for Russian and East European Studies. He is currently chairman of the board of "China in Time and Space" (CITAS), an international project to create a geographically referenced computerized data bank on China.

The Davidson Professorship is named in honor of William Davidson, president, CEO, and chairman of the board of Guardian Industries Corp., a privately-owned company employing 8,000 world-wide. In 1992, Guardian Industries joined with the University of Michigan Business School to create the William Davidson Institute, whose primary goal is to help countries make the transition from a command to a free-market economy through a program of instruction, faculty and student development, and research.

NBD Assistant Professorship Goes to Venkatram Ramaswamy

A named endowed assistant professorship, to be awarded on a one-year term basis, was established this year at the University of Michi-

FACULTY AWARDS

gan Business School with a gift of \$500,000 from NBD.

The first recipient of the NBD professorship is Venkat Ramaswamy, assistant professor of marketing and one of the bright new stars of the marketing department. His current research involves the development of new and improved tools for market analysis. He received his Ph.D. from the University of Pennsylvania in 1989 and joined our faculty in 1990.

The NBD professorship is the second in a new category of professorship, designed to nurture young faculty members and encourage their achievement. The first of these professorships was established in 1992 with a gift from Sanford R. Robertson, BBA '53, MBA '54.

Outstanding Faculty Achievements Recognized by Various Awards

Several of our most outstanding faculty were honored this year by the presentation of different awards. They included:

■ **THE SENIOR FACULTY RESEARCH AWARD**, which recognizes outstanding achievement in research by a senior faculty member, went to Joel Slemrod, professor of business economics and public policy and director, Office of Tax Policy Research. (See also page 17.)

■ **THE EUGENE POWER AWARD FOR JUNIOR FACULTY ACHIEVEMENT**, established to honor a member of our faculty for overall contribution and accomplishment, was awarded to Will G. Mitchell, associate professor of corporate strategy.

■ **THE JACK SPARKS/WHIRLPOOL CORPORATE RESEARCH PROFESSORSHIP**, established to support the holder's research activities, was awarded to Kathryn E. Stecke, associate profes-



Associate Professor Kathryn E. Stecke with the Dean.

Gregory Fox

sor of operations management. She has published widely on uses, benefits, and issues connected with flexible manufacturing systems.

■ **THE SANFORD R. ROBERTSON ASSISTANT/ASSOCIATE PROFESSORSHIP**, a one-year term professorship which provides financial resources to support the faculty member's academic work, was given this year to Francine Lafontaine, associate professor of business economics. She is particularly interested in franchising and its role in the U.S. economy.

■ **THE LEWIS AND MYRTLE MOSKOVITZ RESEARCH PROFESSORSHIP**, given to encourage joint work between law, economics and finance, went to Cindy A. Schipani, associate professor of business law, whose research interests focus on the field of corporate governance, particularly the role of the director and the duty of care. (For more about this, see page 30.)

■ **THE TEACHING LEADERSHIP AWARD**, given by the faculty to recognize excellence in the classroom as well as important multi-year contributions to teaching, was given to Susan Ashford, associate professor of organizational behavior and human resource management and chair of the University of Michigan Business School's Teaching Committee.

EXPERTISE AND



Philip T. Datilio

Joel D. Tauber, founder of the new Tauber Manufacturing Institute, inspects one of the production steps at Code Alarm, Inc., one of the companies that sponsors a summer team project for TMI students. Pictured left is Calisa Tucker, a member of the TMI Engineering Global Leadership honors program. To the right of Tauber is Shelly Anthony, who will receive her MBA in 1996 with an emphasis on operations management. Their summer project involved instituting a production scheduling system to reduce both work-in-process and inventory. TMI summer projects involve a multi-disciplinary team approach, where students, under faculty direction, work at a company site to solve substantive manufacturing challenges.

New Tauber Institute Overcomes Business/Engineering Separation

"When I was invited to take over a manufacturing business almost 30 years ago, I had to develop my own training program," says Joel D. Tauber, BBA '56, JD '59, MBA '63, explaining the motivation for his \$5 million gift to establish the Joel D. Tauber Manufacturing Institute. "Companies hire MBAs and spend six months to two years on training before they can go into manufacturing operations. Graduates of this program will be custom-trained and will have outstanding capabilities. That saves companies training costs and gives them people ready to move directly into manufacturing. There has been a real shortage of this kind of talent." Tauber now heads three companies based in Southfield, Mich., with combined annual revenues of \$460 million.

The Tauber Manufacturing Institute (TMI) is a joint venture between the University of Michigan Business School and the College of Engineering. Its mission is to develop a new breed of managers with both engineering and management know-how. An industrial advisory board provides guidance and support for the program.

The Tauber Manufacturing Institute succeeds the Michigan Joint Manufacturing Initiative (MJMI), which Tauber was involved in developing, and which accepted its first students in 1993. The new Institute also supports applied, practical cross-functional research which is being developed jointly by business and engineering faculty.

OUTREACH

Great Lakes TAAC Helps Business and Saves Jobs

A national first place award for its efforts to help a local manufacturer return to profitability and overcome foreign competition has been won by the Great Lakes Trade Adjustment Assistance Center (GLTAAC), which offers low-cost consulting services to struggling small businesses, helping them deal with changing markets and production techniques.

GLTAAC is a division of Business and Industrial Assistance Division of the University of Michigan Business School. For its work with the Challenge Machinery Company, it was awarded first place in the business assistance category of a national competition conducted by the National Association of Management and Technical Assistance Centers (NAMTAC).

The Challenge Machinery Company is the only remaining domestic manufacturer of paper cutters and paper drills for the graphic arts industry. In 1993, its sales had fallen and operational costs were in the red.

Working with the company, GLTAAC was able to help identify key problems, and to make practical recommendations for improving plant layout and use of the multi-million dollar machining centers. As a result of cost reduction programs and productivity improvements, the company saved over \$300,000, and sales increased by 5% to \$23 million. The project saved 509 Michigan jobs, 849 jobs nationally, and added new jobs in the last 12 months which might have otherwise gone out of the U.S. The project manager was Sundaresan (Sam) Swaminathan, social science senior research associate at the Business School.

The Great Lakes Trade Adjustment Assistance Center has won two previous awards. Its director is Maureen A. Burns.



The Davidson Institute in India

CEOs of 25 Indian companies attended a seminar in India that focused on the challenges confronting Indian businesses as they begin to face the threats and opportunities created by globalization. The seminar was one of two developed by the William Davidson Institute (WDI) jointly with ACME, India's Academy for Management Excellence.

The CEOs heard Business School Professor of Corporate Strategy C. K. Prahalad present results of research he and Professor S. Ramachander from ACME had conducted on the competitive postures of Indian companies vs. Western and other Asian multinational companies.

Another seminar, jointly sponsored by WDI and ACME, focused specifically on the challenges faced by Indian brands as the Indian marketplace opens up to newer and stronger competition from global brands. Rajeev Batra, Business School associate professor of marketing, and ACME's Professor Ramachander, presented research obtained from a survey of Indian consumers and interviews with managers and executives on the relative strength of Indian and global brands. The participants, who represented about 30 Indian companies, analyzed techniques for defending their brands and making them global through brand building, brand extension, and brand valuation. Both seminars are part of an ongoing effort by WDI to develop seminars for countries that are at an advanced phase of transition into fully market-based economies.

EXECUTIVE EDUCATION

Members of the first class held in the new Paris facility were managers of Citibank who took a course in July on banking and financial services. They are pictured with Professor of International Business and Finance Gunter Dufey (second from left in the front row) and Professor of Finance Nejat Seyhun (third from left in the front row) who taught the course. ▼



▲ The new University of Michigan Business School teaching facility in Europe is located in the same building that houses Leonardo da Vinci University in the La Défense section of Paris.

Executive Education Opens Facility for Courses in Europe

Executive Education inaugurated its new facility in Paris with a July course in banking and financial services developed for managers at Citibank. The facility, located on the west edge of La Défense area in Paris, features two flexible classrooms, four team meeting rooms, a relaxation area, office space, and a fully equipped computer laboratory. Participants in the programs are able to stay at a hotel that is linked by a pedestrian walkway to the campus area.

Nine of the most popular executive programs will be offered in 1995-96 at the new facility, including three management development programs, two courses in marketing and one in effective sales management, a course in finance for the non-financial manager, a course in global industrial relations strategies, and a course in the formulation and implementation of strategy.

The Center in Paris has been opened in response to a surge in demand for international programs. Executive Education is also expanding its offerings in Asia, with ten programs this year in Singapore, Hong Kong, and Bangkok.

Director Development Program Initiated for Whirlpool

Directors at Whirlpool are taking part in a program developed by Executive Education and delivered at Whirlpool's corporate education center. The program is designed to give directors within Whirlpool an understanding of the firm's global strategy and offers training in building a global mindset, leading change, and creating a winning spirit.

The first one-week program, which has been designed for 20 directors at a time, is broken into four modules, the first two of which deal with global competitiveness and cross-cultural management. The last two focus on leading change and creating a winning spirit. During that week, participants propose a project to be done during the three months following the program; after which they gather again for a three-day follow-up session which gives them the opportunity to discuss and gain additional insight into their project experiences, as well as to share "best practices."

The program has been developed for Whirlpool as part of a consortium of three Business Schools—INSEAD, Indiana University, and the University of Michigan Business School.

The Whirlpool program is an example of a growing trend in executive education: customizing programs. "We have been especially successful in building in-depth relationships with selected corporate partners," said George Siedel, associate dean. "These customized programs allow us to gain a better understanding of the company and respond to their executive development needs."

Chinese/European Business School Adds U-Michigan Business School to Board

The University of Michigan Business School has become the first American member of the Academic Council of the China Europe International Business School (CEIBS). The inclusion of the U-M Business School was approved at the meeting of the Academic Council held in Shanghai May 9.

CEIBS, founded in 1994 with the support of the Shanghai government and the European Union, is a venture between the Shanghai Jiaotong University and the European Foundation for Management Development (EFMD), an association of leading European business schools. Its purpose is to draw on a network of international faculty to develop China's next generation of senior managers and decision makers.

Plans are to offer a two-year MBA, an executive MBA, and executive programs. Cur-

rently more than 30 top Chinese and western companies sponsor CEIBS, which will receive substantial additional support over the next five years from the European Union and the Shanghai government.

Members of the Academic Council, besides the University of Michigan Business School, include: Shanghai Jiaotong University, SDA Bocconi (Italy), IMD (Switzerland), INSEAD (France), London Business School, Nijenrode University (Holland), State Development Research Center (China), and IESE (Spain), chairman of the Academic Council. Business School Professor Ray Reilly, director of the Executive Program, has been appointed the U-M faculty member to serve on the Council.



CONNECTIONS



William S. Lovejoy (right), professor of operations management at the Business School, and Allen Ward, assistant professor of mechanical engineering and applied mechanics, are studying the process of designing complex systems for marketability and for efficient manufacture, addressing both the value and costs sides of the equation. They are one of two faculty teams to be awarded fellowships by the Joel D. Tauber Manufacturing Institute.

Faculty Pairs Do Joint Engineering/Business Research

The Joel D. Tauber Manufacturing Research Institute awards fellowships to faculty pairs in engineering and business whose research will help the competitiveness of the U.S. in the manufacturing sector. Two awards of \$120,000 were given to two faculty teams for research to be conducted over three years.

One faculty pair includes William S. Lovejoy, professor of operations management at the Business School, and Allen Ward, assistant professor of mechanical engineering and applied mechanics. They will cooperate on a project that studies the process of designing complex systems for marketability and for efficient manufacture, addressing both the value and costs sides of the equation.

The other Tauber Fellowship Pair is composed of Mary Yoko Brannen, assistant professor of organizational behavior and human resource management and of international business, and Jeffrey K. Liker, associate professor of industrial and operations engineering. They plan to conduct two in-depth studies of the implementation of

Japanese lean production methods in U.S. plants. One site would be U.S.-owned, the other Japanese-owned. Both sites will be studied for three years.

Connections Between Law and Business

Cindy Schipani, associate professor of business law at the University of Michigan Business School, has been named the first recipient of the Louis and Myrtle Moskowitz Research Professorship in Business and Law.

Professor Schipani's research interests focus on the field of corporate governance, particularly the role of the director and the duty of care. Her research has included empirical analysis of the effect of changes in duty of care laws on shareholder value, analysis of due care issues under federal environmental laws, and due care issues pertaining to directors of financial institutions. She is also interested in studying corporate governance issues in an international context.

The professorship was established by the Republic National Bank of New York to honor former Chairman Louis Moskowitz and in memory of his wife, Myrtle Moskovitz. It provides discretionary funds to allow the designated faculty member freedom to pursue his or her research over a one-semester period. Holders of the professorship are chosen by the deans of the two schools.

CEMP Is Busy Developing New Teaching Materials

The program in Corporate Environmental Management, co-developed by the Business School and the School of Natural Resources and Environment, addresses the interdisciplinary issues involved in solving environmental problems. The program enables business students to become better informed about environmental issues, and natural resources students to achieve a greater understanding of the business world. This year, CEMP has been developing new course materials appropriate for the linkages it teaches.

The CEMP Executive Seminar Series is composed of short courses taught as one-time offerings when specialists in various fields became available. Topics over the past two years included sustainable forestry in the Northwest; the environmental entrepreneur's role in developing a sustainable economy; industrial ecology in the auto industry; managing for sustainable development in the chemical industry; developing strategies for environmental non-profit organizations; and environmental management systems. Guest teachers for these courses ranged from Michael McCloskey, chairman of the Sierra Club, to Mike Wood, director of business strategy for Ford Automotive Group.

In addition, CEMP has been developing cases based on presentations made at the Business School. One case deals with the work done by a seven-member task force to reduce the amount of solid waste generated by the preparation and packaging of McDonald's products. Another focuses on the Body Shop and its founder Anita Roddick, and explores what it means to a company to be green. Both cases involve videotapes made at the annual Nathan Lecture in Corporate Environmental Management, a series endowed by Jo Ann and Stuart C. Nathan, BBA '62.

A Wonderful Variety of Speakers

Business school students gain insight into some of the complex interrelationships between business and the larger community by hearing the variety of speakers who come to the School each year. Here are a few examples:

▶ **Anita Roddick, entrepreneurial founder of the Body Shop, received the 1994-95 Business Leadership Award.**



▲ **Alex Trotman, CEO of Ford Motor Company, delivered the 1995 Commencement Address.**



◀ **The Hon. Jack Kemp, U.S. representative from New York for 18 years, delivered the first lecture in the new J. Ira Harris Distinguished Lecture-series. He spoke on "The Mandate for a New Congress."**



▲ **The Hon. Shirley Chisholm, who was the first black woman elected to the House of Representatives and who co-founded the National Political Caucus of Black Women, delivered the annual Martin Luther King, Jr. Day address.**

Pulitzer Prize-winning authors Paul Ingrassia and Joseph White of the *Wall Street Journal* spoke on their new book, *Comeback, the Fall and Rise of the American Automobile Industry*. ▼



▲ **Yoshio Utsumi, director-general of the international affairs department of the Japanese Ministry of Posts and Telecommunications, gave a talk as part of the Mitsui Life Distinguished Lecture Series.**

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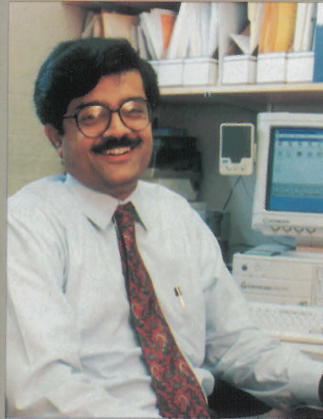
A Progress Report on the Business S

At this point in the Campaign — with two years still remaining — we have raised \$83.5 million toward our \$100 million goal. This year was a particularly exciting one because of the \$5 million gift from Joel Tauber to establish the Tauber Manufacturing Institute and a \$2.2 million grant from the Sloan Foundation to support research on the Trucking Industry (see page 19). Gifts from corporations and founda-

tions were up this year by 36%, and gifts from alumni and friends were up by 24%. We are extremely grateful for the support our alumni and corporate friends give us. Not only do they donate funds, they also show us loyalty and generosity in other ways, including their time and energy. Below we describe for you some of the progress we have made in different program areas. (For a chart describing this progress in numbers, see page 40).

Support for Faculty

The first recipient of the NBD Assistant Professorship is Venkatram Ramaswamy, assistant professor of marketing whose current research involves the development of new and improved tools for market analysis. The NBD Assistant Professorship was established for assistant or associate professors, to provide support for our most promising junior teachers and scholars. Appointment to the post is for one year.



Gregory Fox

Faculty

Since the campaign began, we have received 12 new endowed professorships, which are helping us to meet the intense competition among the best business schools for top faculty talent. We are particularly pleased that along with the endowed chairs for senior faculty members, we have also received endowment to recognize and reward gifted junior faculty — two examples are the NBD Assistant Professorship, new this year and described elsewhere on these pages, and the Sanford R. Robertson Assistant Professorship for faculty development. We are also grateful for faculty fellowships established by Arthur Andersen & Co. and Andersen Consulting, and Ernst & Young which allow us to recognize early career achievement. These gifts make it possible for the School not



Philip T. Dattilo

Support for Programs

Chuck Wagner, who is getting a joint MBA/Master of Science in Industrial and Operations Engineering and Judy Chang, a member of the Engineering Global Leadership Honors Program, are pictured at a Chrysler assembly plant, where they were doing a summer team project under the sponsorship of the Tauber Manufacturing Institute(TMI). Their project involved developing control plans/systems, mistake-proofing techniques, and productions system elements for a pilot application of a subassembly line. Both Chrysler and Ford had TMI summer project teams as well. Fifteen other companies, including Xerox, Merck, AlliedSignal, General Signal, SPX and TRW sponsored summer team projects.

PEOPLE

chool Campaign

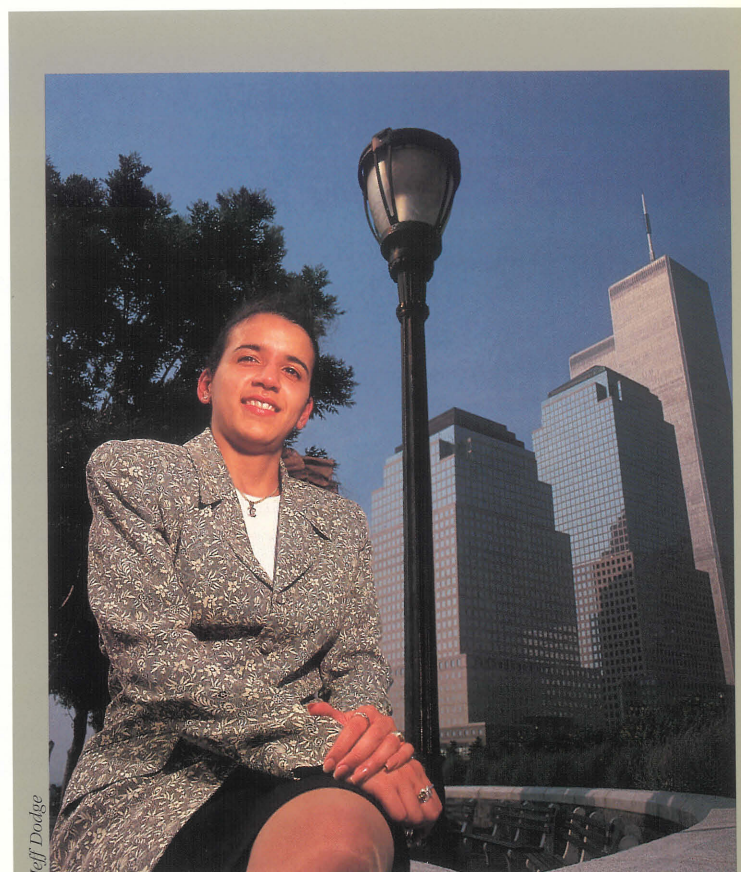
only to recruit and retain excellent senior faculty members, but also to create a climate that encourages the growth and development of our most promising junior faculty members.

Students

Increases in our scholarship funds make it possible for us to compete successfully for the best and brightest students. To help us in our determination to provide financial assistance to deserving students, our donors have established 76 new scholarships and fellowships since the beginning of the Campaign. This year, Abbott Labs awarded a new MBA fellowship for \$10,000; Chevron boosted the number of MBA fellowships it sponsors from one to two; and Clorox increased the amount of its awards. Price Waterhouse is funding a BBA scholarship; Kraft Foods has given us funding for an MBA fellowship in marketing; and United Technologies has given us a fellowship for the Tauber Manufacturing Institute (formerly MJMI). Individuals also have given generously to help our students. This year, MBA students will receive support from several new scholarships, including the Kristin and Bruce Koepfgen Scholarship, the George & Gertrude J. Schiff Graduate Scholarship, and the John H. and Harriet E. Walther Scholarship. BBA students will benefit from the newly established John A. Agler Scholarship, the Carey-Bassett Scholarship, and the Ralph G. Conger, Jr. Scholarship.

Programs in Research & Teaching

Many corporate partners choose to recognize specific programs within the Business School. The Corporate Environmental Management Program has received important support from DuPont and Consumers Power, as well as Dow Chemical Company. The Domestic MBA Corps has received generous support from the Whirlpool Foundation and from Union Pacific. The Joel D. Tauber Manufacturing Institute has received \$1.5 million from Chrysler Corporation and \$2.5 million from the Ford Motor Company, including \$600,000 for endowed fellowships. Many innovative programs



Support for Students

The first holder of the Barnett and Shirley Helzberg Scholarship is Claribel Prado, BBA student from Puerto Rico. She is pictured outside the World Trade Center in New York, where she spent the summer as a financial analyst intern at Salomon Brothers. The Helzbergs have established a one million dollar scholarship fund to benefit undergraduate minority students at the School. Barnett received his BBA from the School in 1956.

would not be possible without the support of generous corporate and individual donors.

Ongoing Support

Ongoing support of the School — by which we mean those very important undesignated dollars that allow us to seize important opportunities when they arise — comes from the Annual Fund, and from the Corporate Associates program. Those dollars help support a broad range of on-going needs, without which the School would not be the dynamic institution it is today.

UNIVERSITY OF MICHIGAN BUS

School Operating Funds

SOURCES	1993-94	%	1994-95	%
University General Fund (a)				
Direct Allocation	\$26,749,300	44.7	\$27,984,000	42.7
Global MBA Tuition & Fees	191,100	0.3	667,300	1.0
Other Support	1,998,000	3.3	2,363,300	3.6
Executive Education Programs	19,268,600	32.2	20,318,600	31.0
Grants and Contracts	2,592,500	4.3	3,683,600	5.6
Gifts and Bequests (Expendable)	4,982,900	8.3	5,662,200	8.6
Endowment Income to Operating Funds	1,467,900	2.5	1,849,000	2.8
Investment Income (Expendable)	1,783,100	3.0	2,139,900	3.3
Departmental Activities	817,200	1.4	944,500	1.4
Total Sources	\$59,850,600	100.0	\$65,612,400	100.0

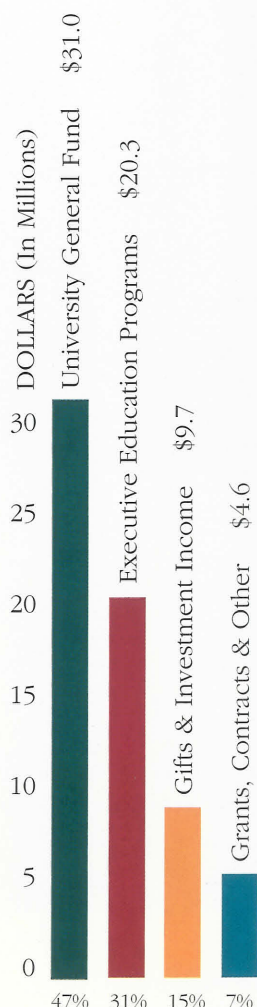
USES	1993-94	%	1994-95	%
Instructional Programs				
Faculty & Staff Compensation	\$17,909,900	29.9	\$20,493,400	31.2
Executive Education Programs	14,327,300	23.9	14,908,600	22.7
Research Activities	4,361,900	7.3	5,095,300	7.8
Public Service Activities	2,116,100	3.5	1,666,800	2.5
Academic Support				
Library	1,765,100	2.9	1,699,600	2.6
Computing Services	1,831,700	3.1	1,293,800	2.0
Faculty Support	897,500	1.5	947,900	1.4
Graduate Student Aid				
Ph.D. (including tuition grants)	1,948,400	3.3	2,003,700	3.1
MBA	3,388,000	5.7	4,040,300	6.2
Admissions/Student Services &				
Career Development	1,945,200	3.3	2,052,700	3.1
Alumni, Development & Communications	1,813,500	3.0	1,741,000	2.7
Other Operating Costs				
Facilities, including utilities	2,254,800	3.8	3,237,100	4.9
Miscellaneous Operations	1,343,800	2.2	1,765,100	2.7
Subtotal - Operations	55,903,200	93.4	60,945,300	92.9
Increase in Operating Fund Balances	3,947,400	6.6	4,667,100	7.1
Total Uses	\$59,850,600	100.0	\$65,612,400	100.0

Transfers to Non-Operating Funds		
To Loan, Endowment, FFAE Funds	2,254,800	1,375,189
To Building/Equipment Funds	1,607,700	2,138,100

William Davidson Institute Operating Funds

Revenues	\$3,728,600	\$2,344,100
Expenditures	1,509,500	1,874,900
Increase in Fund Balance	\$2,219,100	\$469,200

(a) Tuition and fee revenues generated by Business School students and courses are estimated at \$29,941,000 in 1993-94; and \$32,300,000 in 1994-95.



1994-95 SUMMARY OF
OPERATING SOURCES

INESS SCHOOL FINANCIAL REPORT

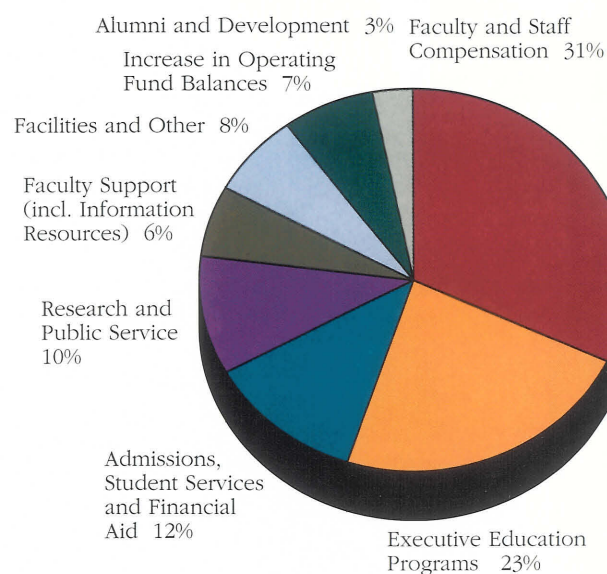
Endowment and Loan Funds

	Student Loan Funds	Funds Functioning as Endowment	Endowment	Totals
BEGINNING BALANCES, JULY 1, 1994	\$1,565,089	\$27,884,879	\$17,729,287	\$47,179,255
ADDITIONS				
Gifts and Bequests	5,000	1,074,636	4,251,032	5,330,668
Investment Income	48,721	1,862,837	1,315,700	3,227,258
Transfers from other funds	9,000	1,331,800	34,389	1,375,189
Subtotal	62,721	4,269,273	5,601,121	9,933,115
DEDUCTIONS				
Transfers to expendable accounts	464	1,900,833	1,163,751	3,065,048
ENDING BALANCES, JUNE 30, 1995	\$1,627,346	\$30,253,319	\$22,166,657	\$54,047,322

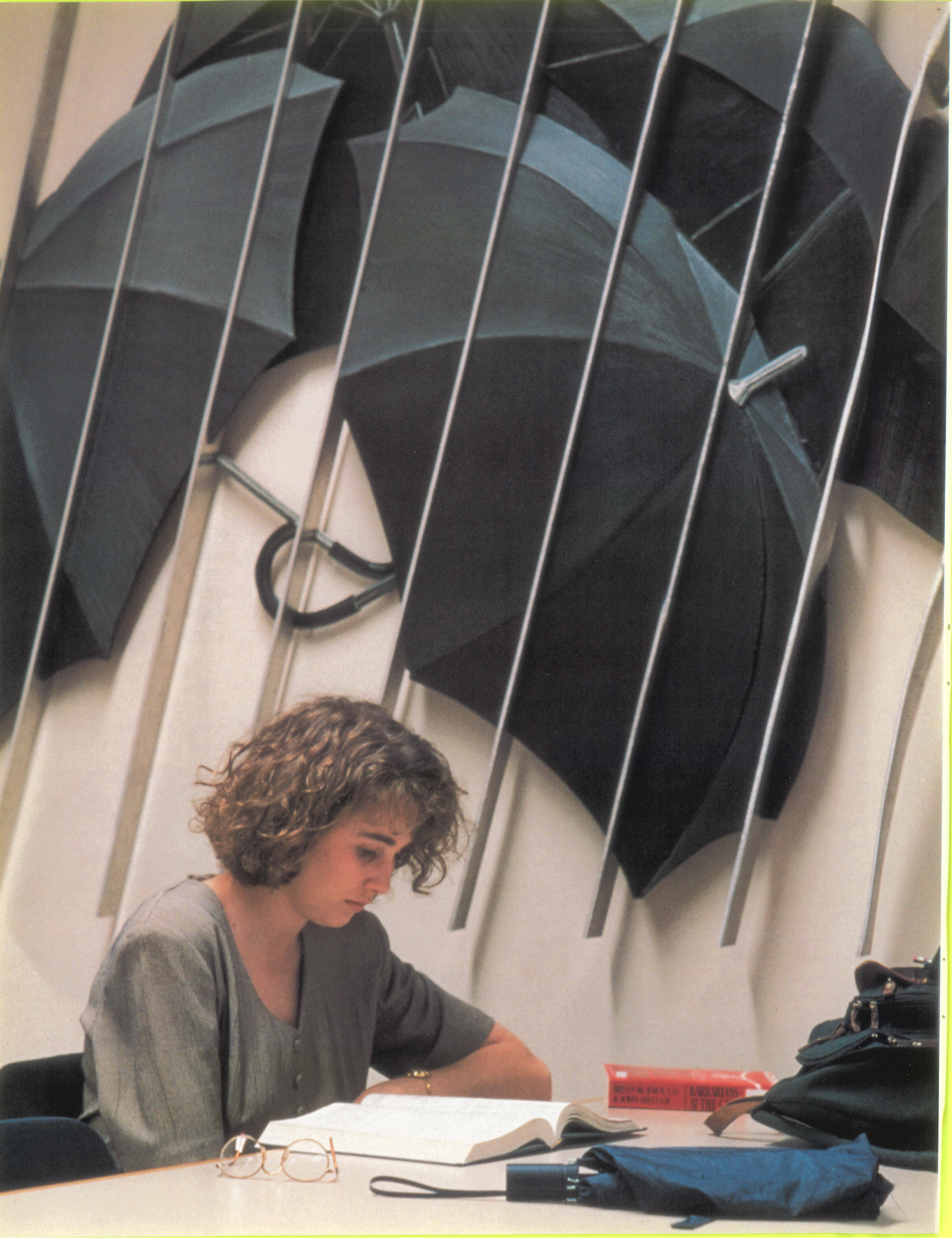
NOTE: Estimated market value of Funds Functioning as Endowment at June 30, 1995. \$39,100,000
 Estimated market value of Endowment Funds at June 30, 1995. \$29,500,000
 Total estimated market value of endowment funds at June 30, 1995. \$68,600,000

Building and Equipment Funds

SOURCES	1993-94	1994-95
Gifts (Cash and In-kind)	\$113,900	\$102,400
Investment Income	104,500	36,700
Transfers from Operating Funds	1,607,700	2,138,100
Transfers from Other Funds	393,700	563,500
Decrease in Fund Balances	2,465,900	317,700
Totals	\$4,685,700	\$3,158,400
USES	1993-94	1994-95
Planning Facilities Improvement		
Projects	-	\$303,800
Construction and Minor Renovations	\$471,600	1,104,900
Equipment	1,864,100	1,749,700
Increase in fund balances for debt retirement and future projects	2,350,000	-
Totals	\$4,685,700	\$3,158,400



1994-95 SUMMARY OF
OPERATING USES



The Visiting Committee

The Visiting Committee for the School meets twice a year to consult with and give advice to the Dean about the overall program and plans for the School. Composed of distinguished corporate executives, it is an invaluable aid in assessing the School's standing and progress.

John C. Morley (Chair)
Retired President & CEO
Reliance Electric Company

Terence E. Adderley
President & CEO
Kelly Services, Inc.

Randolph J. Agley
Chairman
Talon, Inc.

Don H. Barden
Chairman & President
Barden Communications, Inc.

Edmund M. Carpenter
Chairman & CEO
General Signal Corporation

Cleveland A. Christophe
Managing Partner
TSG Capital Group, L.L.C.

William Davidson
Chairman, President, & CEO
Guardian Industries Corporation

Harvey C. Fruehauf, Jr.
President
HCF Enterprises, Inc.

Paul B. Gordon
Chairman
Gordon Food Service

William K. Hall
President & CEO
Eagle Industries, Inc.

Michael R. Hallman
President
The Hallman Group

Todd W. Herrick
President & CEO
Tecumseh Products Company

Michael J. Jandernoa
Chairman & CEO
L. Perrigo Company

Thomas H. Jeffs II
President & COO
NBD Bank, N.A.

James H. Keyes
Chairman
Johnson Controls Inc.

Woo Choong Kim
Chairman
Daewoo Corporation
Korea

John W. Madigan
President & CEO
Tribune Company

William D. Marohn
President & COO
Whirlpool Corporation

Richard L. Measelle
Managing Partner
Arthur Andersen & Company

Mitsuru Misawa
Director
IBJ Leasing Co., Limited

Michael T. Monahan
President & COO
Comerica Bank

Southwood J. Morcott
Chairman, President, & CEO
Dana Corporation

Peter S. Ordway
Chairman, President & CEO
Union Pump Company

Roslyn B. Payne
President
Jackson Street Partners Ltd.

George Peapples
Vice President - Industry/Government Relations
General Motors Corporation

John Psarouthakis
Founder & Chairman
JPEnterprises Inc.

P. Anthony Ridder
Chairman & CEO
Knight-Ridder, Inc.

Stephen M. Ross
President
The Related Companies, Inc.

Cece Smith
Partner
Phillips-Smith Specialty Retail Group

Christopher J. Steffen
Vice Chairman
Citibank, N.A.

Amnuay Viravan
Leader
Nam Thai Party
Thailand

H. Martin Westfall
Senior/Managing Partner
Coopers & Lybrand Europe

Iva M. Wilson
President
Philips Components

Jerome B. York
Vice Chairman
Tracinda Corp.

Bruce Zenkel
Partner
Zenkel Shoenfeld

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Chairman
PPOM

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President
The Fordney Group

Robert C. Emde
Partner
Ernst & Young

Hud Englehart
Executive Vice President, General Manager
Hill and Knowlton, Inc.

Stanley D. Frankel
Frankel Associates

Arthur M. Friedman
Partner
Arthur Andersen & Co.

Bert A. Getz, Jr.
Globe Corporation

Carleton H. Griffin
Professor of Accounting
University of Michigan Business School

Barnett C. Helzberg, Jr.
Shirley and Barnett Helzberg Foundation

Fred Ittner
Ittner & Associates

Ronald A. Johnson
President
Rackson Corporation

Joseph P. Keithley
Chairman of the Board
Keithley Instruments

William C. Martin
President
First Martin Corporation

Ray E. Newton, Jr.
Chairman
Newton & Company

Timothy W. O'Day
Vice President, Account Director
Leo Burnett Company

Judith S. Olson
Professor of CIS and
Professor of Psychology
University of Michigan Business School

William R. Parker
Chelsea, Michigan

Joel D. Tauber
President
Tauber Enterprises

Gary T. Walther
Managing Director
Kemper Securities, Inc.

Ronald N. Weiser
Chairman and CEO
McKinley Associates, Inc.

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Executive Vice President, Tombstone Pizza
Kraft Foods

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Vice President
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Matthew J. Anctil, MBA '85
Vice President - Business Planning
TeleService Resources

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Director of Acquisitions
CIGNA

Gregory Martin Boll, MBA '80
Vice President
Cummins of Michigan Inc.

Philip Briggs, MBA '66
Audit Manager, Europe
Exxon Chemical Europe Inc.

James R. Browne, BBA '78
Director of Tax Legal
Tenneco Inc.

David S. Bryan, MBA '85
Vice President
Owens Corning

Mary Ann Caballero, MBA '84
Executive Director
Endocrine Business Unit
Eli Lilly and Company

William Creelman, MBA '83
Vice President
Bank of America

J. Robert Dobbins, MBA '81
Managing Partner
Dobbins Partners, LP

Russell L. Epker, BBA '64
General Partner
Berkshire Partners

Marsha A. Evans
Assistant Executive Director
Alumni Association
University of Michigan

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President
Kropschot Financial Services

Jeffrey K. Lackey, MBA '85
Senior Vice President
GE Capital Bank

Cheryl H. Lippert, BBA '75
Executive Vice President & CFO
Medicon, Inc.

Claus Madsen, MBA '63
Managing Director
CPS A/S

Robert E. Malitz, BBA '81
Partner
Arthur Andersen & Company

Richard Metzler, MBA '66
President
Richard Metzler & Associates

James W. Pierpont, MBA '67
Senior Vice President
Director of Corporate Finance
Dain Bosworth, Inc.

Lucy J. Reuben, MBA '74, Ph.D. '81
Dean, School of Business
South Carolina State University

Carl Smith, Jr., MBA '81
Vice President - Sales
Washington Investment Corp.

Ray S. Tittle, Jr., BBA and MBA '53

Ken Todd, MBA '96

Ellen M. White, MBA '86
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University of Michigan Business School Campaign
A PROGRESS REPORT AS OF JUNE 30, 1995

GIFTS AND PLEDGES TO DATE

GOAL

\$30,000,000

The William Davidson Institute

(Committed)

\$30,000,000

\$12,717,621

Students

Undergraduate Support

Graduate Support

Doctoral Support

\$20,000,000

\$15,670,896

Faculty

Senior Professorships

Assistant Professorships

Faculty Development

\$20,000,000

\$12,381,106

Programs

Curriculum Innovation and

Teaching Effectiveness

Research Centers

\$15,000,000

\$9,176,518

Ongoing Support

Facilities

Annual Fund

\$15,000,000

\$3,539,986

Undesignated

\$83,486,127

Total

\$100,000,000

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