Your alma mater consistently ranks among the finest business schools in the world. Some would be satisfied. I trust you are not....
Great Strides

In 1991, Michigan began a process of redefining management education. Confident of our academic excellence, our research prowess and the support of an enviable alumni network, we committed ourselves to a strategy of innovation for the long term.

Let me give you one example from our MBA program. In order to expand our students' global perspective, we have created hundreds of opportunities for them to sharpen their skills working on challenging assignments in organizations around the world. No other business school offers its students this level of immersion in international business settings. It is the Michigan style: innovative, in-depth, high-impact. And it goes well beyond traditional approaches, in this case exchange programs and study tours.

Michigan is doing so much more. Our faculty have traveled directly to the bellwether economies of Central Europe, Asia, Latin America and Southern Africa and established partnerships with local corporations, governments and multinationals invested in those regions.
Our students work on assignment in companies in Warsaw, Shanghai, São Paulo and Johannesburg—and in other cities, large and small, around the world. They work with multinationals in Europe and business incubators in Israel. They develop business acumen and leadership skills in the most rigorous settings available, often while contributing much-needed business assistance to emerging market economies.

Our faculty, through Executive Education, the Global MBA program and the William Davidson Institute, teach on location and via distance learning technologies to business leaders in emerging economies. The knowledge they gain continually infuses the BBA, MBA, Ph.D. and Executive Education curricula with global understanding.

What is next?

First, we play to our strengths. The University of Michigan Business School is a full-range education, research and management development institution. Rather than narrowly focusing on one functional area or another, we are committed to across-the-board strength and excellence. This strategy has served us well and will continue to do so. Our challenge is to bring ever-increasing breadth and depth to our offerings.

Second, we leverage our strengths through effective, innovative use of information and communication technologies. This is a natural outgrowth and benefit of our increasingly global reach. It also is our most important next challenge since it creates the potential for us to educate and develop more students around the world than ever before.

Your alma mater consistently ranks among the finest business schools in the world. Some would be satisfied. I am not, and I trust you are not either. Michigan has set a new standard in management education, and we intend to raise the bar higher and higher. There is more work to do to keep ahead of the competition and to make our programs ever better. Let us never be satisfied.

B. Joseph White
Dean
“Flow of talent” is the concept behind the new system put into place in 1998 to better serve University of Michigan Business School students and their future employers.

All student-centered activity, from the initial admissions process through academic advising and professional development to career coaching and job placement, has been consolidated and streamlined within the newly created Office of Admissions and Career Development.

Jeanne Wilt, MBA '89, who was named assistant dean in May, leads this effort. “We are in the talent business,” she says. “Students are here because of their careers. Our flow of talent model maximizes all they do here.”

Services begin with the prospective BBA, MBA and Ph.D. students. Once they are admitted, students receive individual assistance throughout their Business School career. “Placement means much more than finding our students jobs,” Wilt adds. “It means understanding employer and student needs and preparing students accordingly. Our flow of talent model makes us more effective in achieving this goal.”

**BBA Student Profile**

- Class size: 273
- GPA: 3.48/4.0
- Women: 37%
- Minorities: 21%
- International: 14%
- Foreign language: 85%*

*(completed four or more semesters)*

**Where They Are Working and What They Are Earning**

**Job Acceptances by Industry**

- Accounting 18.1%
- Financial Services 23.9%
- Consulting 19.8%
- Commercial Banking 22.2%
- Consumer Goods 2.8%
- Business Services 2.3%
- Computers/Electronics 3.4%
- Automotive 2.8%
- Other 2.8%
- Investment Banking 20.3%
- Energy/Chemical/Pharmaceutical 1.7%

**Median Total Compensation by Industry**

- Accounting
- Automotive
- Business Services
- Commercial Banking
- Computers/Electronics
- Consulting
- Consumer Goods
- Energy/Chemical/Pharmaceutical
- Financial Services
- Non-Business Services

**Corporate Recruiting Highlights**

- More than 400 companies recruited at the University of Michigan Business School in 1997–98.
- These 400-plus companies conducted approximately 16,000 interviews.
- More than 100 companies supported Business School students and faculty through the Corporate Associates Program in 1997–98.

**Sampling of Ph.D. Appointments 1997–98**

- Case Western Reserve
- Harvard University
- Massachusetts Institute of Technology
- Northwestern University
- Pennsylvania State University
- University of California at Los Angeles
- University of Southern California
**MBA Student Profile**

- Class size: 417
- Median age: 27
- Full-time work experience: 97%
- GPA: 3.34/4.0
- GMAT: 672
- Women: 24%
- Minorities: 23%
- International: 25%

**Where They Are Working and What They Are Earning**

*Job Acceptances by Industry*

- Business Services 3.9%
- Commercial Banking 6.5%
- Computer Services 1.5%
- Consulting 30.0%
- Energy/Chemicals 3.9%
- Financial Services 7.2%
- Food/Consumer Goods 10.9%
- Industrial Products 4.4%
- Investment Banking 8.8%
- Pharmaceutical/Biotechnology 2.3%
- Telecommunications 2.6%
- Other Services 4.9%
- Computers/Electronics 5.4%
- Automotive 7.7%

**Median Total Compensation by Industry**

- **$120k**
- **$100k**
- **$80k**
- **$60k**
- **$40k**
- **$20k**

**Rankings Confirm Michigan’s Top-Tier Status**

- *Business Week* magazine rated the University of Michigan Business School fourth overall in its biennial ranking of the nation’s top 25 business schools released October 9. Michigan garnered the number-one rating for Most Innovative Curriculum and number two for Programs Showing Greatest Improvement.

  It was one of only two schools rated among the top five in all functional areas surveyed—finance, general management, marketing and technology—and was singled out as a leader in operations management. Recruiters gave Michigan straight As for the graduates it produced.

- *Working Woman* magazine rated the University of Michigan Business School number two in its October ranking of best business schools for women. Factors determining the ranking include prestige of the institution, percentage of female students and faculty members, diversity of views represented in the curriculum and networking opportunities for female students and graduates.

- The *World Resources Institute*, an international research organization focusing on issues of the environment and sustainability, recognized eight business schools—among them the University of Michigan Business School—for their “outstanding curricula and activities focusing on the environment.” The report, *Grey Pinstripes with Green Ties: MBA Programs Where the Environment Matters*, was issued in June.
The number of named, endowed professorships grew by five in 1998 to 42 through individual and corporate support. Endowed professorships are the highest honor awarded a faculty member and have proven to be the best method for attracting and retaining teaching and research talent. Each professorship represents a gift of $1.2 million or more.

Two important leadership appointments were made in 1998.

Susan J. Ashford, the Michael and Susan Jandernoa Professor of Business Administration, was named Associate Dean for Academic Affairs. F. Brian Talbot, professor of operations management, founding co-director of the Joel D. Tauber Manufacturing Institute and Herrick Professor in Manufacturing, is Associate Dean for Executive Education.

Ashford oversees the BBA Program, the MBA Program, the Masters of Accounting Program, the Evening MBA Program, the Global MBA Program and Executive Skills. Talbot heads one of the largest university-based centers for executive education in the world, with programs offered in Asia, Europe and Latin America.

Both the Global MBA Program and the Executive Education Center entered Latin America in 1998 with offerings in Brazil. The Global MBA Program—the only full MBA degree program offered by an American business school to executives working abroad—accepted its first class of Brazilian students. These 41 managers and executives are employed by companies in São Paulo and Rio de Janeiro. Also this year, the Daewoo Group of South Korea extended its original five-year education partnership with the Global MBA Program for an additional five years beginning in 1999. The Global MBA Program in Hong Kong remains strong.

Executive Education established its presence in Brazil with a commitment to offer a portfolio of five-day programs in finance, corporate strategy, marketing and sales, beginning spring 1999.

New Books in Print—1998

The following 10 books represent one facet of academic activity at the University of Michigan Business School.

The basis of all new knowledge is scholarly research. Michigan benefits from a highly productive faculty that regularly publishes quality papers in leading academic journals in their respective fields. These women and men also write or contribute to book chapters and articles in popular and industry magazines.

One example is the July-August 1998 Harvard Business Review article, “The End of Corporate Imperialism,” which was written by C. K. Prahalad, the Harvey C. Fruehauf Professor of Business Administration, and Kenneth G. Leberthal, the William Davidson Professor of Business Administration and the Arthur F. Thurnau Professor of Political Science.

Diagnosing and Changing Organizational Culture
(Addison-Wesley)
By Kim S. Cameron, Robert Quinn

Cameron, of the Weatherhead School of Management at Case Western Reserve University, and Quinn, Michigan's Margaret Elliott Tracy Collegiate Professor in Business Administration, provide a resource for understanding, diagnosing and facilitating effective change in an organization’s culture.

New World, New Rules: The Changing Role of the American Corporation
(Harvard Business School Press)
By Maria von Neumann Whitman

Whitman brings her unique dual vision to this historical retrospective and analysis of the changing role of the American corporation. As a former Vice President and Chief Economist and later Vice President of Public Affairs at General Motors (1979-92), a member of the President's Council of Economic Advisors and Michigan professor of business administration, she has experienced the evolution both as a corporate “insider” and an “outsider.”

Every Business Is a Growth Business
(Times Business/Random House)
By Ram Charan and Noel M. Tichy

Charan, advisor to Fortune 500 companies, and Tichy, a professor of organizational behavior and human resource management at Michigan, explain how some of the world’s leading business executives propel their organizations toward responsible growth.
Marketing Management
(Prentice-Hall)
By Richard P. Bagozzi, José Antonio Rosa, Kirti Sawney Celly, Francisco Coronel

Understanding the gap between the science and the art of marketing prepares managers to make informed business decisions based on research and applied theory. This MBA textbook is authored by Bagozzi, the Dwight F. Benton Professor of Behavioral Science in Management, and three marketing scholars, two of them with Business School ties. Celly is a former assistant professor of marketing, and Rosa earned a Ph.D. in marketing in 1992.

Structural Change, Industrial Location and Competitiveness
(Edward Elgar Publishing)
Joanne E. Oxley and Bernard Yeung, Editors

Oxley, assistant professor of international business, and Yeung, associate professor of international business, have compiled a scholarly selection of articles on global economic restructuring and its impact on production and economic competitiveness.

Investment Intelligence from Insider Trading
(The MIT Press)
By H. Nejat Seyhun

When top officers buy or sell their own company's stock, this "insider trading" can be an indispensable guide for small investors, says Nejat Seyhun, professor of finance and chair of the department at the University of Michigan Business School.

The Legal and Regulatory Environment of Business
(Dame Publications)
By George D. Cameron III

In the second edition of this textbook, George Cameron, a professor of business law at the University of Michigan Business School, prepares students to deal with the higher level of governmental involvement in the workplace. The book examines each of the six major functions of business—organization, finance, employment, production, marketing and international operations—and the existing statutes that impose limitations, restrictions and governmental requirements on them.

Price Theory and Applications
(Prentice-Hall)
By Jack Hirshleifer and David Hirshleifer

In the sixth edition of this intermediate-level textbook, Jack Hirshleifer of the University of California at Los Angeles and David Hirshleifer, Michigan's Merwin H. Waterman Collegiate Professor in Finance, present a nontraditional study of economics as a social science, emphasizing applications rather than abstract theorems.

The authors contend thinking like an economist— impartially and systematically assessing both the pros and cons of any issue—yields the best action in any given situation, whether it be deciding to raise the price of potatoes at the local grocer or passing a Congressional resolution to declare war.

Effective Business Communications
(McGraw-Hill)
By Herta A. Murphy, Herbert W. Hildebrandt, Jane P. Thomas

Business people at all levels can learn to communicate more effectively when speaking and writing. Murphy, professor emeritus at the University of Washington, together with two Michigan faculty members—Hildebrandt, professor of business communication, and Thomas, business communications lecturer and director of the Student Writing Program—collaborated on the 7th edition of this textbook. Exercises, examples and case studies are designed to improve both verbal and nonverbal communication skills that transcend cultural, gender-based and organizational differences in a global marketplace.
The University of Michigan Business School teaches, conducts research and provides public service assistance on five continents: Africa, Asia, Europe, North America and South America. In 1998, the Business School's reach around the world grew substantially through its Global Projects Field Courses I and II, the William Davidson Institute and the Executive Education Center.

**Global Projects Field Courses I and II** offer first- and second-year MBA students the opportunity to form small, multidisciplinary management consulting teams and execute an international assignment within a specific period of time. Assignments focus on an issue, problem or decision that is central to the sponsoring company's current international strategy, such as market entry or product line extension studies, or analyses of a particular industry, value chain, country infrastructure or product delivery channel. A portion of the work is completed in Ann Arbor, with the remainder—one to five weeks—accomplished in the host country.

Since 1991, when efforts to globalize became a school-wide priority, 535 students have participated in and completed 110 international assignments.

**The William Davidson Institute** is a nonprofit, independent, international education institute affiliated with the University of Michigan Business School. It is dedicated to developing and disseminating expertise on issues affecting firms in transition and emerging economies. Davidson Institute activities enrich and enhance the scholarly knowledge base throughout the Business School through its research, management training for executives in transition and emerging economies, and its practical, project-based assistance.

The Davidson Institute's Business Assistance Projects further the strategic objectives of indigenous firms working to make the transition from a closed to an open market economy and multinational corporations operating in these regions. Under the guidance of a project advisor, a team of two to four graduate students—MBA students and an expert in the host country's language and culture (this may or may not be an MBA student)—work abroad at the partner company for two-and-a-half months analyzing specific business challenges and making recommendations for improvement. Teams present their findings in a formal presentation as well as a written report.

To complement the services offered through the Business Assistance Program, the Davidson Institute offers executive education programs geared to the specific needs of firms in transition. Programs address the "how-to" needs of senior-level managers in local, indigenous companies as well as those of multinational corporations operating in the emerging regions. To date, the Davidson Institute has provided management training to more than 500 managers through its executive education training.

The foundation for all Davidson Institute activities is its international network of scholars. Working in Ann Arbor and around the world, these men and women analyze business and economic transition as it occurs, developing a wealth of new knowledge for instant application. Conferences, forums, seminars and its Working Papers Series disseminates Davidson Institute findings to business and institutional leaders from western and transition economies on a regular, near-monthly basis. For the first time in 1998, a program was cosponsored with the Economic Institute-Zagreb for a consortium of business managers.
The Executive Education Center is a global market leader in providing international executive development to corporations of all sizes and industries. In its most recent survey, Business Week ranked Michigan's Executive Education Center among the top two in the world. The magazine rated Michigan's human resources programs number one and its general management programs number three. Executive Education courses are offered in the United States, Europe, Asia and, beginning in 1999, Brazil.

The mission of the Executive Education Center is to "help business executives, and the organizations they represent, to better provide the leadership necessary for success in today's global world of business." Its public and customized offerings as well as its standard and customized certificate programs are designed to meet this mandate.

New courses in 1998 include Building the Leadership Engine, Organizing for the Future, Net-Ready Marketing, and Achieving Competitive Advantage Through Strategic Capital Allocation. The first Management Certificate also was awarded in 1998. This new certificate program is offered to individuals who complete one Executive Education course in each of the four strategic areas: managerial leadership, marketing, finance and strategy, and one elective. It provides both individuals and organizations a framework for measuring and recognizing formal management development achievements.

In addition, 19 customized programs were developed for foreign and domestic companies this year, and partnerships were formed with Sony and Reuters for the development of future custom programs.
### Sources and Uses of Funds

#### School Operating Funds

<table>
<thead>
<tr>
<th>SOURCES</th>
<th>1996–97</th>
<th>%</th>
<th>1997–98</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>University General Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provost's Direct Allocation</td>
<td>$6,144,300</td>
<td>7.3</td>
<td>$8,248,300</td>
<td>9.2</td>
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<tr>
<td>Tuition and Fees (See footnote b)</td>
<td>$35,575,700</td>
<td>42.5</td>
<td>$38,126,800</td>
<td>42.3</td>
</tr>
<tr>
<td>Indirect Cost Recovery</td>
<td>338,600</td>
<td>0.4</td>
<td>376,300</td>
<td>0.4</td>
</tr>
<tr>
<td>Other University Support</td>
<td>465,800</td>
<td>0.6</td>
<td>520,000</td>
<td>0.6</td>
</tr>
<tr>
<td>Executive Education Programs</td>
<td>26,351,100</td>
<td>31.4</td>
<td>24,415,100</td>
<td>27.1</td>
</tr>
<tr>
<td>Grants and Contracts</td>
<td>3,471,900</td>
<td>4.1</td>
<td>4,180,800</td>
<td>4.7</td>
</tr>
<tr>
<td>Gifts and Bequests (Expendable)</td>
<td>5,399,500</td>
<td>6.5</td>
<td>7,318,100</td>
<td>8.1</td>
</tr>
<tr>
<td>Endowment Income to Operating Funds</td>
<td>3,316,000</td>
<td>4.0</td>
<td>4,187,400</td>
<td>4.7</td>
</tr>
<tr>
<td>Investment Income (Expendable)</td>
<td>1,376,300</td>
<td>1.6</td>
<td>1,299,400</td>
<td>1.4</td>
</tr>
<tr>
<td>Departmental Activities</td>
<td>1,361,900</td>
<td>1.6</td>
<td>1,377,200</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>TOTAL SOURCES</strong></td>
<td>$83,801,100</td>
<td>100.0</td>
<td>$90,049,400</td>
<td>100.0</td>
</tr>
</tbody>
</table>

#### USES

<table>
<thead>
<tr>
<th>Instruction Programs</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty and Staff Compensation</td>
<td>$20,647,400</td>
<td>24.6</td>
<td>$20,212,700</td>
<td>22.5</td>
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<tr>
<td>Executive Education Programs</td>
<td>19,482,300</td>
<td>23.2</td>
<td>17,665,200</td>
<td>19.6</td>
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<tr>
<td>Non-salary Support Costs</td>
<td>2,456,900</td>
<td>2.9</td>
<td>2,286,300</td>
<td>2.5</td>
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<tr>
<td>Research Activities</td>
<td>5,815,900</td>
<td>6.9</td>
<td>5,499,300</td>
<td>6.6</td>
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<tr>
<td>Public Service Activities</td>
<td>1,440,300</td>
<td>1.7</td>
<td>1,843,400</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>Academic Support</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library</td>
<td>2,020,800</td>
<td>2.4</td>
<td>1,867,200</td>
<td>1.8</td>
</tr>
<tr>
<td>Computing Services</td>
<td>1,379,800</td>
<td>1.6</td>
<td>1,641,600</td>
<td>1.8</td>
</tr>
<tr>
<td>Faculty Support</td>
<td>920,700</td>
<td>1.1</td>
<td>1,167,800</td>
<td>1.3</td>
</tr>
<tr>
<td>Administration</td>
<td>1,494,600</td>
<td>1.8</td>
<td>1,637,800</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Graduate Student Aid</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ph.D. (including tuition grants)</td>
<td>2,080,600</td>
<td>2.5</td>
<td>2,377,000</td>
<td>2.6</td>
</tr>
<tr>
<td>MBA</td>
<td>5,290,400</td>
<td>6.3</td>
<td>5,535,900</td>
<td>6.2</td>
</tr>
<tr>
<td><strong>Admissions/Student Services and Career Development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development, Alumni and Communications</td>
<td>1,809,400</td>
<td>2.2</td>
<td>2,183,200</td>
<td>2.4</td>
</tr>
<tr>
<td>Other Departmental Operations</td>
<td>1,533,700</td>
<td>1.9</td>
<td>1,570,200</td>
<td>1.7</td>
</tr>
<tr>
<td>Facilities Operations</td>
<td>1,025,900</td>
<td>1.3</td>
<td>1,187,400</td>
<td>1.4</td>
</tr>
<tr>
<td>University Attributed: Building and Utilities</td>
<td>2,100,700</td>
<td>2.5</td>
<td>2,100,800</td>
<td>2.3</td>
</tr>
<tr>
<td>University Attributed: Administration and Other</td>
<td>9,021,900</td>
<td>10.8</td>
<td>11,874,400</td>
<td>13.2</td>
</tr>
<tr>
<td><strong>Subtotal—Operations</strong></td>
<td>81,134,900</td>
<td>96.8</td>
<td>83,823,500</td>
<td>93.1</td>
</tr>
<tr>
<td>Increase in Operating Fund Balances</td>
<td>2,666,200</td>
<td>3.2</td>
<td>6,225,900</td>
<td>6.9</td>
</tr>
<tr>
<td><strong>TOTAL USES</strong></td>
<td>$83,801,100</td>
<td>100.0</td>
<td>$90,049,400</td>
<td>100.0</td>
</tr>
</tbody>
</table>

#### Transfers to Non-Operating Funds

- To Endowment and Quasi-endowment Funds: 3,640,600
- To Building and Equipment Funds: 2,305,200

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### William Davidson Institute

#### Operating Funds

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$3,466,800</td>
<td></td>
<td>$3,645,400</td>
<td></td>
</tr>
<tr>
<td>Expenditures</td>
<td>3,109,600</td>
<td></td>
<td>3,637,600</td>
<td></td>
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<tr>
<td>Increase in Fund Balance from Operations</td>
<td>$357,200</td>
<td></td>
<td>$7,800</td>
<td></td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td>$4,824,000</td>
<td></td>
<td>$4,646,500</td>
<td></td>
</tr>
</tbody>
</table>

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(a) The University of Michigan adopted a new resource allocation system in 1996–97 known as Value Centered Management (VCM). Revisions made in 1997–98 resulted in a new University Budget System.

(b) Tuition and fee revenues are attributed to the Business School in accordance with the University's Budget System.
Endowment and Quasi-Endowment Funds

<table>
<thead>
<tr>
<th></th>
<th>Endowment</th>
<th>School Quasi-Endowment</th>
<th>WDI Quasi-Endowment</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING BALANCES, July 1, 1997</td>
<td>$27,759,971</td>
<td>$39,626,408</td>
<td>$2,115,427</td>
<td>$69,501,806</td>
</tr>
<tr>
<td>ADDITIONS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gifts and Bequests</td>
<td>3,775,094</td>
<td>3,242,362</td>
<td>0</td>
<td>7,017,456</td>
</tr>
<tr>
<td>Investment Income</td>
<td>2,173,962</td>
<td>2,700,599</td>
<td>109,626</td>
<td>4,984,187</td>
</tr>
<tr>
<td>Transfers from other funds</td>
<td>69,625</td>
<td>2,302,836</td>
<td>0</td>
<td>2,372,461</td>
</tr>
<tr>
<td>Subtotal</td>
<td>6,018,681</td>
<td>8,245,797</td>
<td>109,626</td>
<td>14,374,104</td>
</tr>
<tr>
<td>DEDUCTIONS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers to operating and building funds</td>
<td>2,050,384</td>
<td>2,121,495</td>
<td>0</td>
<td>4,171,879</td>
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<tr>
<td>ENDING BALANCES, June 30, 1998</td>
<td>$31,728,268</td>
<td>$45,750,710</td>
<td>$2,225,053</td>
<td>$79,704,031</td>
</tr>
</tbody>
</table>

NOTE: Estimated market value of Endowment funds at June 30, 1998 .......................................................... $51,260,273
Estimated market value of Quasi-endowment funds at June 30, 1998 ............................................................... $70,756,072
Estimated market value of WDI Quasi-endowment funds at June 30, 1998 ............................................................. $2,765,879
Total estimated market value of funds at June 30, 1998 ..................................................................................... $124,782,224

Building and Equipment Funds*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Income</td>
<td>$39,500</td>
<td>$24,700</td>
</tr>
<tr>
<td>Transfers from School Operating Funds</td>
<td>2,305,200</td>
<td>1,669,100</td>
</tr>
<tr>
<td>Transfers from University Funds</td>
<td>1,040,000</td>
<td>208,300</td>
</tr>
<tr>
<td>Transfers from School New Building Funds</td>
<td>225,000</td>
<td>0</td>
</tr>
<tr>
<td>Decrease in Fund Balances</td>
<td>0</td>
<td>438,900</td>
</tr>
<tr>
<td>Totals</td>
<td>$3,609,700</td>
<td>$2,341,000</td>
</tr>
</tbody>
</table>

USES

Planning Facilities Improvement Projects | $108,100 | $0 |
Construction and Minor Renovations     | 1,337,300 | 910,200 |
Computing and Office Equipment and Furnishings | 1,647,500 | 1,430,800 |
Increase in Fund Balances for Future Projects | 516,800 | 0 |
Totals                                | $3,609,700 | $2,341,000 |

*Excluding construction costs and financing of Sam Wyly Hall.

1997–98 Summary of Operating Uses

1997–98 Summary of Operating Sources

- University General Fund $47.3
- Executive Education Programs $24.4
- Gifts and Investment Income $12.8
- Grants, Contracts and Other $5.5
VITAL STATISTICS

ACADEMIC AREAS
- Accounting
- Business Administration
- Business Economics and Public Policy
- Computer and Information Systems
- Corporate Strategy
- Finance
- International Business
- Law, History and Communication
- Marketing
- Operations Management
- Organizational Behavior and Human Resource Management
- Statistics and Management Science

ALUMNI
- 30,000 Business School graduates live in all 50 United States and 82 countries
- The University of Michigan's worldwide alumni network totals 404,668

ENROLLMENT
- BBA Students 698
- MA/Accounting Students 21
- MBA Students—Full-time 857
- MBA Students—Part-time 1,070
- Global MBA Students 115
- Doctoral Students 67

EXECUTIVE EDUCATION
The University of Michigan Business School is a worldwide market leader in executive education with public and customized programs offered in Ann Arbor, Michigan, and in locations in Europe, Asia and Latin America in the following subject areas:
- Accounting and Finance
- Corporate Strategy and Operations Management
- Cross-Functional Management
- General Management
- Human Resources
- International Business
- Managerial Leadership
- Marketing and Sales

FACILITIES
The University of Michigan Business School operates from a five-building, 358,120-square-foot complex in Ann Arbor and a regional office in Hong Kong. A sixth building, the $20 million, 80,000-square-foot Sam Wyly Hall, is under construction at the Ann Arbor site and is expected to be complete in September 1999. Facility highlights include:
- Global Learning Center, a state-of-the-art video classroom and two fully equipped video conference rooms
- Hale Auditorium, a 386-seat multipurpose auditorium, which underwent an $800,000 renovation in 1998
- Instructional Environment consisting of all major classrooms equipped with networked computers, multimedia projection and wireless mice; 19 networked group study rooms; 50,000 square feet dedicated to personal computing; and Local Area Network and Internet access via traditional ethernet laptop connections and a sophisticated wireless network
- Kresge Business Administration Library, one of the nation's largest business libraries, with online catalogue, research assistance and databases

FINANCES
- The School's 1997–98 revenues were over $90 million. Student tuition and fees accounted for 42.3% of that total, Executive Education 27.1%, with the balance from research grants, gifts and investment income.
- The market value of the School's endowment on June 30, 1998, was approximately $124.8 million.
- Cash gifts from alumni, corporations and foundations totaled $14.3 million. Gifts of $1.5 million for the William Davidson Institute brought the total of gifts to the University of Michigan Business School in 1997–98 to $15.8 million.

SPECIALIZED OPERATIONS
- Asia-Pacific Human Resource Partnership
- BT Global Learning Center
- Business and Industrial Assistance Division
- Center for International Business Education
- Corporate Environmental Management Program
- Fred A. and Barbara M. Erb Environmental Management Institute
- Global Business Partnership
- Human Resource Management Journal

William Davidson Institute
The William Davidson Institute is a non-profit, independent, educational institute headquartered at the University of Michigan Business School. It was founded in 1992 to assist indigenous companies and multinational corporations operating in emerging or transitional economies. To achieve this mission, the Davidson Institute:
- conducts research on all issues related to emerging economies
- offers executive education and project-based business assistance
- sponsors international in-company learning assignments for MBA and graduate students
- hosts conferences and workshops
- encourages and facilitates discussion among foreign and domestic business leaders and public policy makers on all issues related to business in transitional economies

University of Michigan Business School
701 Tappan Street • Ann Arbor, Michigan 48109-1234 • (734) 764-1363 • http://www.bus.umich.edu