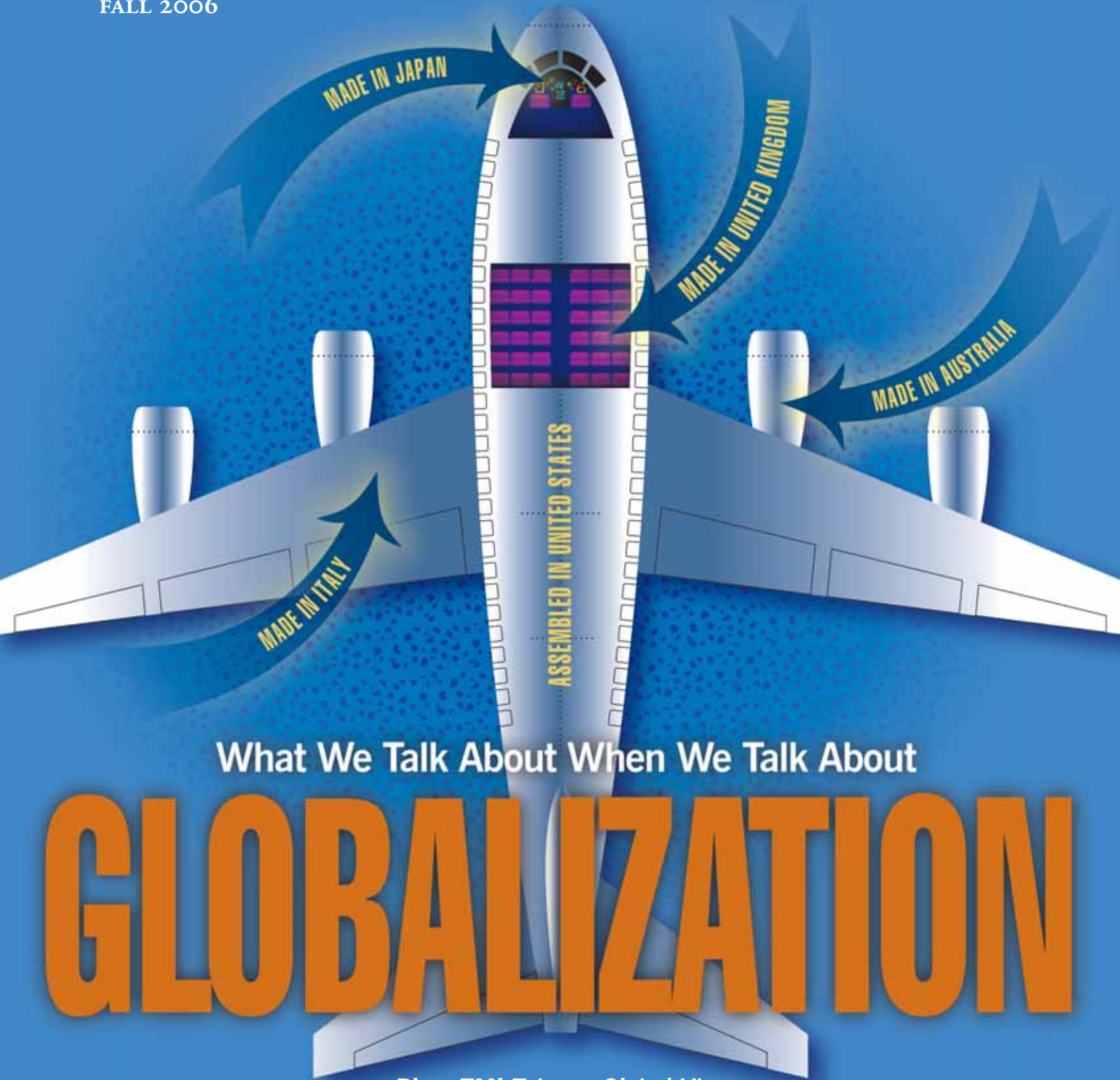


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Dividend

FALL 2006



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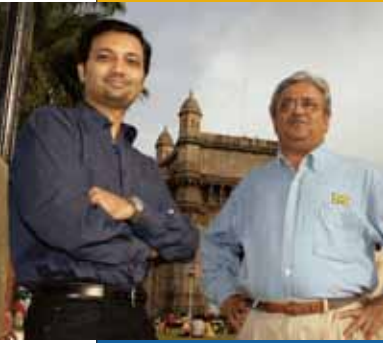
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MUNIVERSITY OF MICHIGAN

Across the Board

BOO-YAH!

Ross Students Fire Up for *Mad Money*

Fans of CNBC's *Mad Money with Jim Cramer* were treated to more than the usual stock tips when the program was broadcast from the University's Michigan League on April 25.

Cheering fans created a sea of maize and blue and spontaneously burst into strains of "The Victors" as they welcomed the 51-year-old Cramer, a former hedge fund operator turned stock market rock star who inspired otherwise mild-mannered business majors to paint their faces and scream "Boo-yah!" at the top of their lungs.

A technical crew numbering almost 50 arrived April 23 to set up lights, audience seating, cameras and the director's booth at the League. Dozens of members of the Ross School's Accounting and Finance clubs joined Cramer's extended crew. The students helped market the program and worked behind the scenes during the taping. They, along with audience members, met Cramer and received autographed copies of *Jim Cramer's Real Money: Sane Investing in an Insane World* and backpacks filled with gifts from event sponsors.

Having already made his fortune, Cramer uses his television show, books and Web site to offer money management advice and insight. He eschews orthodoxy and recommends that people devote 20 percent of their portfolios to pure speculation because, in the long run, the "lottery ticket" stock will greatly outweigh the losses.

"Accept sacrifice," Cramer urged Ross School students who attended a meet-and-greet session the night before the taping at the John R. and Georgene M. Tozzi

Pom-poms, painted faces and Cramer's hypercharged personality create a pep rally atmosphere for the *Mad Money* taping session at the Michigan League Ballroom.



MARTIN VLOET

Electronic Business and Finance Center. "Swallow your ego. Be completely and utterly subservient. Be prepared to know everything about the market even when no one asks you so you can distinguish yourself. The stock market is the fastest way to become rich. Then you can go fund what you really care about." ☑

BEYOND WORD PROBLEMS

Introducing Teens to Business

High school students who excel in math and science often are encouraged to go into engineering or medicine. Ross School lecturer Karen Bird would like to see these top students exposed to another career option: business.

To that end, the Accounting Club, which Bird sponsors, and the school's BBA Program this spring hosted 50 high school students at a half-day program focusing on accounting.

Ninth graders from Wayne Memorial High School in Wayne, Michigan, and Cass Technical High School in Detroit toured the U-M campus, watched a video and comedy skit and participated in hands-on exercises teaching the basics of finance, operations and strategy.

Two student teams simulated real-world accounting by creating a company name and purchasing and selling candy as stocks and cookies as their product. Accounting Club members also taught a lesson in strategy using financial statements to compare the two companies.

Andrew Davignon, BBA '06, the Accounting Club's former vice president of service, viewed the event as a way for the club to be more involved in the community. "Our hope was that they would become interested in business, learn what classes to take in high school and apply to the Ross School."

Vanessa Stafford, transition services coordinator at Wayne Memorial, said the program puts real-life jobs into perspective and teaches students the importance of investing. "A lot of these students spend money on gym shoes and clothing. Here they learn how they can own a piece of those companies by investing in them



HEATHER THORNE

Left to right, Krystal Karam, BBA '07, Dana Simons, BBA '06, MAcc '07, and Jen Reed, BBA '07, explain basic accounting principles to high school students.

instead," she explained.

Ross School Director of BBA Student Affairs Rob Koonce organized the visit with the cooperation of the Detroit Public School District's Compact program, which works to prepare middle and high school students for employment or college. His goal is to expand the program. "We are planning to bring 450 ninth grade students to participate this year," he added.

The outreach program was funded by Amex, Caterpillar Co. and Shell. A survey given to students at the end of the program confirmed that they understood the simulations and found them beneficial. They will be invited to participate in a program for 10th graders next year. ☑

COOL JOB

John Fahey's Mission: Inspire Others to Care

National Geographic Society CEO **John M. Fahey**, MBA '75, admits he has a cool job. He travels to cool places and has cool photographs hanging in his office. Drawing on his travels and experience, Fahey issued what he described as the ultimate challenge to 1,100 Ross School graduates in his April 28 commencement address at Crisler Arena.

"How do we — and I really mean you — manage this conflict between the aspirations shared by all humans and our planet's ability to serve and sustain those dreams? It's a complex question, the ultimate business quest," stated Fahey, who combined humor and wisdom to encourage graduates to see the world from a larger view than their windows provide.

"You don't always get a diploma. You




STEVE KUZMA

National Geographic Society CEO John Fahey says the most rewarding part of his job are the people who expand his horizons.

don't always wear a robe. The degrees come from your life experiences. Since taking the job as head of the National Geographic, I've been fortunate enough to be surrounded by many people with advanced degrees — degrees about the world and all that's in it," he added.

The CEO is first and foremost a businessperson. Armed with an MBA, he has turned National Geographic into a mini-media conglomerate that includes books, magazines, cable TV, a Web presence and filmmaking. However, he said the people who inspire him and expand his horizons are the most rewarding part of his job.

Fahey told the story of Mike Fay, an explorer and conservationist who trekked 1,200 miles across equatorial Africa with a tribe of pygmies. Because of the attention he brought to this part of the world, 11 percent of Gabon now has been preserved as national park land.

He urged graduates not only to use their talents and "gift of an exquisite education," but also hold on to their idealism, make responsible decisions and think beyond the short term. Above all, Fahey stressed that "our mission is to inspire people to care about the planet. Our future is not on an unalterable course." 

2006 CLASS GIFTS


95 Percent of MBA Grads Donate

Led by a class gift core committee, including **Billy Robins** and **Kristine Royer** (MBA), **Katherine Fedele** (BBA), **Todd Sarbaugh** and **Nancy Stano** (Master of Accounting) and **David Mengebier**, **Terri Schultz** and **Linda Danek** (Executive MBA), 2006 graduates pledged more than

\$500,000 to the Ross School.

"This is a really exciting time to be part of the Ross School, with *The Wall Street Journal* No. 1 ranking in 2004, the very generous donation from Stephen Ross and the new building," said Robins, as he presented a \$264,111 check to Dean Robert J. Dolan on behalf of BBA, MBA, Evening MBA and MAcc students at a dean's reception on April 28. Ninety-five percent of graduating MBA students donated to the class gift program this year.

Thanking the students, Dolan responded, "It's a fabulous monetary gift and gives us great energy moving forward." The BBA and MBA class gifts will be used to equip exercise rooms in the state-of-the-art fitness center planned for the new Ross School building. The MAcc class gift will go to MAcc Scholarship Assistance to help fund future MAcc students. The Evening MBA class gift will be used to renovate and beautify the Commerce Park lounge with new carpet, lounge chairs, sofas, appliances, tables and art.

Executive MBA students pledged \$303,916 to support the Endowed Speaker Series, Endowed ExecMAP Fund and Alumni Fund. The Endowed Speaker Series brings business leaders and academicians to talk to Executive MBA students and alumni. The ExecMAP program supports domestic and international Multi-disciplinary Action Projects. The Alumni Fund supports alumni activities and enriches the overall Executive MBA program. 

SHARED LEADERSHIP

Arrow Electronics CEO Advocates Shared Leadership


When Bill Mitchell became CEO at Arrow Electronics in 2003, he was the firm's fourth CEO in eight months. Facing a daunting task, Mitchell built a strategic framework based on performance leadership and transformed the company into an employee-focused business. "By and large people want to do a good job," he said. "As CEO, your job is to unleash that."

At a Dean's Seminar this spring, Mitchell drew from his 30 years of experience, including three CEO positions, to counsel 20 Ross School students on qualities need-

ed to be an effective CEO.

Arrow Electronics is a global provider of products, services and solutions to the electronic component and computer product industries. In addition to supply chain solutions, services and financing capabilities, Arrow Electronics provides design and technical support to small and medium-sized businesses.

Mitchell began the seminar by drawing a journey line reflecting his personal life and professional experience. He plotted highlights and graphed the ups and downs on the timeline. He encouraged students beginning their business careers to do the same exercise. "You learn a lot more from failures than successes," he noted.

Arrow's strategy is based on four pillars: growth, operational excellence, financial stability and shared leadership, with shared leadership being the key to success, Mitchell emphasized. "Alignment is not agreement," he said, but through shared leadership, "people participate, are heard and make a difference." 

Arrow Electronics CEO Bill Mitchell



CORPORATE GOVERNANCE

Engaged Boards Spur Growth

A board of directors that is actively involved in setting goals and shaping strategy can lead a company into successful growth opportunities, says Michael Ruettgers, special adviser and retired chairman of EMC Corp.

Ruettgers, who served as CEO at EMC from 1992 to 2001, talked about "The Role of the Board in Growth" at a Dean's Seminar this spring. EMC is a world leader in products, services and solutions



Michael
Ruettgers

for information management and storage.

The information technology industry is characterized by constant disruptive technologies, volatile product life cycles and a highly competitive marketplace. To survive and prosper, he said, companies must aggressively pursue growth opportunities through innovative product development.

Growth opportunities should be the top priority for the board of directors, said Ruettgers. Members need to understand the industry life cycle, oversee long-term strategy, and set and communicate aggressive growth targets. They also should review the organizational structure and influence the selection of top management.

Prior to passage of the Sarbanes-Oxley Act in 2002, being a board member was considered a cushy job that involved short quarterly meetings, Ruettgers said. Today's expectations and requirements for board members are higher so companies can meet new standards of corporate responsibility and greater financial disclosure.

Traits that characterize a strong board include the ability to shape strategy, a climate of trust and openness with room for constructive dissent, individual accountability and periodic performance evaluations. "Growth is everyone's business," Ruettgers concluded. ☑

DEAN'S SEMINAR

Corporations, NGOs Benefit from Partnerships

Businesses, nongovernmental organizations and the public all benefit from corporate social responsibility (CSR), says Tom Miller, CEO of Plan, an international organization that helps children in emerging countries and promotes their rights and interests.

Plan CEO
Tom Miller

Speaking at a Dean's Seminar in April, Miller described CSR as a partnership between the nonprofit and corporate sectors, adding, "We as a planet aren't doing as much as we should. The whole

world has changed, and the biggest challenge is communicating complex development issues."

NGOs benefit from partnering with an established firm through improved brand awareness, acquiring more income and becoming a vehicle for influencing policy, Miller noted. "We all need to be pushed sometimes, and corporations help keep us accountable."

He also cited five benefits for businesses that partner with NGOs: customer loyalty, staff retention, better environmental performance, enhanced brand profile and an improved bottom line. For CSR to be effective, Miller commented, firms and NGOs must find the right match and develop standards to measure performance.

Before retiring in 2004, Miller spent 29 years in the U.S. Foreign Service working on policy issues in the Balkans, the Middle East and Southeast Asia. He served at the U.S. Embassy in Athens, including as U.S. Ambassador to Greece in 2001–2004. Miller earned four degrees, including a PhD in political science, all from the University of Michigan. ☑

A TRIBUTE

Honoring "Dr. E"

The Black Business Students Association (BBSA) honored Alfred L. Edwards, professor emeritus of business administration, for 32 years of contributions to the Ross School at the BBSA's 30th annual Conference and Annual Scholarship Recognition Dinner in February.

More than 200 students, alumni, faculty and staff members and friends attended the conference's closing banquet, which included a cinematic tribute and the re-naming of the event to the Alfred L. Edwards Annual BBSA Conference.

In the tribute, Gautam Kaul, the John C. and Sally S. Morley Professor of Finance, asserted that Edwards is proof things can change in this world by setting an example and taking risks. "He's a players' coach, always making students feel important," Kaul added.

Edwards, who joined the faculty in 1974, has been a driving force in recruiting top-notch minority students. He was instrumental in leading the Ross School's effort to join the Consortium for Graduate Study in Management, a 13-school alliance that works to bring African American, Hispanic

STEVE KUZMA



DTE Energy Builds on Strengths

As president and COO of DTE Energy, a utility with 2.1 million electrical customers and 1.2 million natural gas customers, **Gerard Anderson**, MBA '88, MPP '88, works on some of the most serious public policy issues of the day, issues that affect the nation's economy and the environment. Here, at a Dean's Seminar this spring, he discusses with Ross School students the utility's business model and promising ways to produce energy and improve the environment.

American and Native American managerial talent into MBA programs.

Edwards, also known as "Dr. E," said that although he is credited with solving students' problems, "The truth is they solve their own problems by talking it through. I just listen."

Students would congregate in his office to discuss family, work and school, he recalled. "It was a social place. One of my colleagues asked to move because it was so noisy."

David Wooten, MBA '87, PhD '92, assistant professor of marketing, described Edwards' office as a "Black student lounge. There was a lot of student traffic between classes and at the end of the day. Dr. E knew more about the students' social lives than did many of their classmates."

Frederick McDonald, MBA '95, said the conference should have been re-branded a long time ago. "I would respond a lot quicker to an e-mail invitation that has Dr. Edwards' name on it because I would do anything for him," he added.

Erica Roberson, MBA '06, congratulates Professor Emeritus Al Edwards at the 30th annual Black Business Students Association Conference, which now bears his name.

STEVE KUZMA



“Dr. Edwards has done a lot of good things for a lot of people,” said **Lucy Reuben**, MBA ’74, PhD ’91, a member of the Ross School Visiting Committee. She spoke of Edwards’ generosity in sending textbooks to the Morris College Library, South Carolina State University’s School of Business and Benedict College’s Department of Business and Economics.

Dean Robert J. Dolan said of the annual conference, “It’s a very special conference. It brings together three generations — alumni and current and prospective students — and captures the spirit of Dr. Edwards.”

SILVER ANNIVERSARY

MGCS Honors Founder David Brophy

The Michigan Growth Capital Symposium (MGCS), the first university-based venture fair in the United States, celebrated its 25th anniversary in May. The annual symposium is a forum for financiers to meet up-and-coming Midwestern firms and learn about emerging technologies.

This year’s symposium, held in Ypsilanti, attracted more than 425 participants: angel and institutional investors, venture capitalists and entrepreneurs from across the nation, as well as Ross School students, faculty and staff members. Forty-five companies specializing in information technology, life sciences and alternative energy were showcased. In all, the MGCS has presented more than 700 companies to the investment community since 1979, including Esperion Therapeutics and Blue Gill Technologies, both presented in 1998, Arbor Networks in 2001 and Asterand in 2002.

David S. Evans, BGS ’85, chairman and managing director of Glencoe Capital, presented the symposium’s first Lifetime Achievement Award to David J. Brophy, associate professor of finance and symposium creator.

“For over 35 years at the University of Michigan, Dave Brophy has driven excellence in education, entrepreneurship and the annual symposium,” Evans said. “He has played the paramount role in exposing emerging growth companies to professional institutional investors and taught us the singular most important thing about success: A good idea and

years of sweat are the tools for something that is successful and long-lasting.”

The Center for Venture Capital and Private Equity Finance of the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies hosts the MGCS, which will be held on May 15-16, 2007, at the Marriott at Eagle Crest, Ypsilanti. For more information, visit www.michiganangcs.com.

FACULTY

10 Recognized for Research, Teaching and Service

The Ross School honored 10 faculty members this spring for research, service and teaching excellence at the school’s annual Faculty Awards Dinner and other celebrations.

Kathleen M. Sutcliffe, professor of management and organizations, was named Researcher of the Year. The award recognizes the substantial research contribution and scholarly significance of related publications during a three-year period. Sutcliffe became associate dean for faculty development and research on July 1.

Sutcliffe has published a number of papers in academic journals and numerous chapters and monographs during the past three years, noted Dean Robert J. Dolan at the Faculty Awards Dinner.

Cindy A. Schipani, professor of business law and chair of Law, History and Communication, received the Contribution to the Research Environment Award, which Dolan described as “a classically Michigan award for a person who has served as an incredible role model for colleagues and students.”

Susan J. Ashford, the Michael and Susan Jandernoa Professor of Business Administration and professor of management and organizations, received the Andy Andrews Distinguished Faculty Service Award. The award was created in memory of Richard W. (Andy) Andrews, associate professor of statistics, who died in 2002. Ashford has served as associate dean and senior associate dean for academic affairs. She is academic director of the Executive MBA Program and an Academy of Management fellow.

David Hess, assistant professor of business law, was named the Bank One Corpo-

ration Assistant Professor of Business Administration. The one-year appointment recognizes promising non-tenured faculty whose excellence in scholarly research promises to make a significant contribution to the understanding of the field of business.

Hyun-Soo Ahn, PhD ’01, assistant professor of operations and management science, was named the Sanford R. Robertson Assistant Professor of Business Administration. The one-year professorship recognizes early career development and excellence in scholarly research. Ahn also was selected by students to receive the 2006 BBA Teaching Excellence Award.

William S. Lovejoy, the Raymond T. Perring Family Professor of Business and chair and professor of operations and management science, received the Victor L. Bernard Teaching Leadership Award. “This award recognizes contributions across the board,” explained Dolan, who noted that Lovejoy’s Integrated Product Development class, where students take an idea from drawing board to marketplace in 12 weeks, is one of the Ross School’s most innovative and popular courses.

Four other faculty members were honored for teaching excellence:

- Jane E. Dutton, the William Russell Kelly Professor of Business Administration, chair and professor of management and organizations and professor of psychology (PhD Teaching Excellence Award).
- Gautam Kaul, the John C. and Sally S. Morley Professor of Finance (MBA Teaching Excellence Award).
- M. P. Narayanan, chair and professor of finance (Executive MBA Teaching Excellence Award).
- James M. DeSimpelare, lecturer of accounting (Master of Accounting Teaching Excellence Award).

Dean Robert J. Dolan presents the Contribution to the Research Environment Award to Cindy A. Schipani, professor of business law and chair of Law, History and Communication.



QUOTE UNQUOTE



“I don't think that tensions and frictions are inevitable. I think part of the reason you have them is because China is still a developing economy and a developing polity. It does not have the established domestic institutions or international roles that the United States has. So, obviously there would be some differences. China is at a different stage of development than the United States. As China becomes more developed in all of these respects, then clearly we would expect actually a decline of friction, at least on the Chinese side. On the perceptual side, however, I don't know how Americans will view an up-and-coming power that might still remain somewhat different from themselves. **”**

Linda Lim, professor of strategy, discussing the relationship between China and the United States.
—*NewsHour with Jim Lehrer*, April 20, 2006

“The economy has been fairly strong over the last few years, and that makes it harder to make the case that, in the short run, tax cuts inevitably lead to tax increases or spending cuts. But I don't think anybody disagrees there are very large fiscal imbalances in the government. It's very clear we've made no progress. In fact, we've made the problem worse.”

Joel Slemrod, the Paul W. McCracken Collegiate Professor of Business Economics and Public Policy, commenting on legislative efforts to extend cuts to tax rates on dividends and capital gains for two years.
—*Washington Post*, May 12, 2006

* * *

“When people know they can bring their pain to the office, they no longer have to expend energy trying to ignore or suppress it, and they can more easily and effectively get back to work.”

Jane Dutton, the William Russell Kelly Professor of Business Administration and chair of management and organizations, concludes that when tragedy happens, a quick and compassionate response in the workplace can boost productivity and build staff loyalty.
—*Anchorage Daily News*, April 17, 2006

* * *

“In valuing today's companies, about 50 percent of market value comes from earnings and the other 50 percent from intangibles, which gives investors more or less confidence in the future. HR helps with earnings by being more efficient in employee transactions. Estimates are that firms spend (US) \$1,500 per year per employee on administrative costs, and

these costs can be reduced 20 to 30 percent through electronic HR or outsourcing. But the real investor impact is on the intangible value where HR can help investors have confidence in future earnings.”

Dave Ulrich, professor of business administration and co-director of the Human Resource Executive Program, discussing ways to measure the results of the human resources function.
—*The Business Times Singapore*, April 24, 2006

* * *

“The impact could be huge. It could shut down the agricultural sector, the service sector, the fast food industries, coffee shops and restaurants.”

Katherine Terrell, professor of business economics and public policy, speculating on the impact of work slowdowns, economic boycotts and demonstrations by immigrants and their supporters to protest immigration legislation passed by the U.S. House of Representatives.
—*The Detroit News*, May 1, 2006

* * *

“Where a car is built is a very fuzzy thing. At one point, Joe Sixpack had to drive an American car. That's simply diminished today. People with a scintilla of sophistication will just buy what fits their lifestyle.”

Gerald Meyers, adjunct professor of management and organizations and former chairman of American Motors Corp., talking about an advertising campaign to convince consumers to “buy American.”
—*The Detroit News*, May 12, 2006

* * *

“It's almost like a perfect storm. We have bankruptcies, labor and strike issues, increasing costs and fewer people to serve the passengers. It's a very big problem. Few people really enjoy the experience of sitting on an airplane for a long period of time. You can do things like provide better food and service, but what really makes people irritated is the information flow when something happens.”

Claes Fornell, the Donald C. Cook Professor of Business Administration, professor of marketing and director of the National Quality Research Center, talking about the toll flight cancellations and delays are taking on overall customer satisfaction with the airline industry.
—*The Wall Street Journal*, May 16, 2006

* * *

“How could the Chinese cooperate with us in the oil and energy sector if they don't trust us enough to be confident that our Navy will not cut off their oil supplies if tensions rise? If we can trust each other to cooperate in the energy sector, then this in turn can contribute to broader strategic trust in the overall relationship.”

Kenneth Lieberthal, the William Davidson Professor of International Business and professor of political science, urging Beijing and Washington to talk openly to boost confidence and avoid conflict.
—*South China Morning Post*, May 30, 2006

* * *

“Vcs and private equity firms are looking hard under rocks and around corners to find deals. This is a great time for entrepreneurs to come up with the next big thing.”

David Brophy, associate professor of finance and director of the Center for Venture Capital and Private Equity Finance.
—*InformationWeek*, March 20, 2006

* * *

“Moving offshore involves a trade-off. Typically you save a lot on labor and you incur additional costs related to administration and other issues. For big corporations, the economics still work. But for midsized ones, it's easy to overestimate how much you're going to save.”

Robert Kennedy, executive director of the William Davidson Institute and professor of business administration, cautioning firms not to overestimate potential savings from moving work offshore.
—*Austin American-Statesman*, June 22, 2006

Achieving the Extraordinary: Cleaning Up a Nuclear Nightmare

BY KIM CAMERON

Kim Cameron is a professor of management and organizations and co-founder of the Center for Positive Organizational Scholarship at the Ross School of Business. He also is a professor of higher education at the University of Michigan School of Education and previously served on the faculties of Case Western Reserve University, Brigham Young University, the University of Wisconsin and Ricks College. In his research Cameron explores organizational effectiveness, the development of management skills and the effect of virtuousness on organizational success. He has published more than 80 articles and 10 books, including *Coffin Nails and Corporate Strategies*, *Diagnosing and Changing Organizational Culture* and *Leading with Values*. In 2006, Berrett-Koehler published his latest book, *Making the Impossible Possible: Leading Extraordinary Performance—the Rocky Flats Story*. It was co-written with his former student Marc Lavine, MBA '03, MA '04, a doctoral student at the Carroll School of Management, Boston College.

The Rocky Flats nuclear weapons production facility—a heavily guarded, top-secret site housed in 800 buildings on 6,000 acres less than 20 miles from downtown Denver—was shut down in 1989 due to the suspicion of extensive radioactive contamination. The site had more radioactive waste than any other nuclear weapons facility in the country. It housed 21 tons of weapons-grade nuclear material, 100 tons of high-

content plutonium residues, nearly 15,000 cubic meters of transuranic waste, more than a half-million cubic meters of low-level radioactive waste, and 30,000 liters of plutonium and uranium solutions—some stored in leaking tanks and unmarked locations. Two buildings at Rocky Flats were deemed the most dangerous in America due to high levels of radioactive pollution. More than a dozen rooms at the facility registered “beyond infinity” on radiation meters. Walls, floors, ceilings, duct work and soil were heavily contaminated.

In 1995, Kaiser-Hill, a joint venture between ICF Kaiser Engineers and the environmental engineering firm CH2M Hill, was awarded a contract to clean up and shut down Rocky Flats. It was a staggering task. No one knew how to clean up and close a nuclear weapons production facility because it had never been done before. In addition, the workforce at Rocky Flats had a history of antagonistic relationships with facility management, environmentalists, community activists, state and federal regulatory agencies, and Congress. Workers felt under siege and demoralized. Their public persona had been transformed from heroes who helped win the Cold War to criminals who poisoned the Earth. Suddenly they were being asked to put



themselves out of work by shutting down the facility that had provided their families with a livelihood for generations. The U.S. Department of Energy (DOE) estimated that it would take at least 70 years and \$36 billion to complete the project, but it was questionable whether the job could ever be accomplished. No one in Washington, D.C., or the state of Colorado saw this as an opportunity for success.

The Rocky Flats cleanup, however, was an astonishing success—completed 60 years ahead of schedule and nearly \$30 billion under budget. All 800 buildings were demolished, all surface level waste was removed, the on-site safety record improved five-fold and the remediated pollution levels surpassed initial federal standards by a multiple of 13. Today, the site is being transformed into a wildlife refuge.

A new book—*Making the Impossible Possible*—examines this spectacular performance by analyzing data gathered



Kim Cameron

ANDY SACKS

INTELLECTUAL CAPITAL

during the cleanup as well as interviews with the individuals involved, including personnel from the DOE and the Environmental Protection Agency (EPA), Colorado state and local officials, members of Congress and their staffers, representatives of community organizations and environmental watchdog groups, manag-

pared to the pursuit of virtuousness and positively deviant performance.

Achieving extraordinary performance never occurs by accident, and leadership is always a critical factor in accomplishing these kinds of results. Here are a few of the often counterintuitive leadership values that were critical in closing abundance

financial benefits large enough to significantly impact their lifestyle, that is, to provide opportunities never before afforded them.

THE MISSION MUST SURPASS SELF-INTEREST: Increasing shareholder value and expanding market share are common organizational objectives, but extraordinary performance requires a more fundamental, long-lasting and humane



LEFT Rocky Flats site in 1995

RIGHT This visual image of what Rocky Flats would look like after cleanup helped build consensus and contributed to success.

ers and supervisors working on-site at Rocky Flats, labor union leaders and workers.

A key factor in the Rocky Flats success was their focus on positive organizational dynamics. More specifically, success depended on closing “abundance gaps”—the gulf between normal performance and the highest levels of performance imaginable. Usually organizations focus on correcting problems and closing “deficit gaps”—elevating sub-par performance and overcoming obstacles. Treating a sick patient so the person returns to average health closes a deficit gap; transforming a healthy person into Olympic fitness levels closes an abundance gap. In business, these gaps are represented by the pursuit of competitiveness and profitability com-

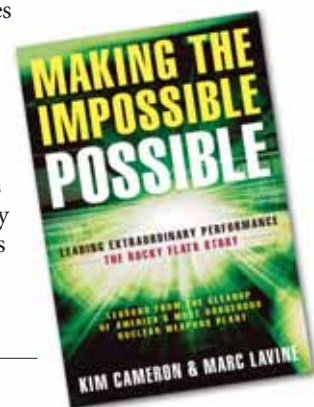
gaps and achieving phenomenal results at Rocky Flats.

THE LONE HEROIC LEADER IS A MYTH: Individual leaders with positive energy, vision and the ability to get things done are indisputably important, but multiple sources of leadership are necessary for sustained organizational success. This was the case at Rocky Flats, where numerous leaders in a variety of roles—within the DOE, the EPA, the state of Colorado, activist organizations and Kaiser-Hill—collaborated, shared common values and aligned around a common vision.

SIGNIFICANT INCENTIVES ARE NEEDED TO CHANGE THINKING: Research has shown that modest pay increases do not increase on-the-job satisfaction or performance—and yet financial incentives are the most common motivational tool used by organizations. At Rocky Flats, this approach succeeded in fundamentally transforming employees’ perspectives and performance because they had the potential to receive

purpose. At Rocky Flats, workers were driven to go the extra mile, learned new skills and invested more creative energy because they were pursuing the profound purpose of mitigating the nation’s most dangerous toxic site and creating a wildlife refuge for future generations.

SYMBOLIC MESSAGES MUST REFLECT THE ORGANIZATION’S ASPIRATIONS: Most companies create symbols, messages and images—logos, corporate colors, branding, slogans, insignia and font styles—intended to convey what the organization stands for, what it does and what its attributes are. More important, however, are symbols, stories and activities that reflect what the organization aspires to become. At Rocky Flats, project leaders tore down guard towers to convey a



INTELLECTUAL CAPITAL

new openness, demolished a headquarters building to get managers on-site with workers and took steps to nurture “peace gardens” planted by protesters to demonstrate the importance placed on relationships with the community.

BUREAUCRACY IS NECESSARY:

Popular business management literature routinely promotes the need to destroy bureaucracy, break the rules, shred red tape and obliterate organizational processes. The Rocky Flats initiative succeeded, however, because of tight controls, clear standards, performance accountability, precise adherence to established processes that resulted in proficiency, a decline in mistakes and safety violations, and virtually flawless performance. Careful assessment, metrics, milestones and standardized procedures enabled Kaiser-Hill to achieve dramatic success in a compressed time frame.

TRUST REQUIRES COLLABORATION AND MUTUAL SUPPORT:

Consistency, equity, honesty and discretion are key prerequisites to trustworthiness in organizations. If people are treated fairly, are not deceived and have freedom to act and observe consistent behavior, then trust is likely to be high. These behaviors are not enough, however, to produce the extraordinary level of performance seen at Rocky Flats. Such success requires flawless follow-through on promises and commitments. At Rocky Flats, a single instance of infidelity could have permanently undermined the trust of external stakeholders. People are fallible, of course, so mistakes occur. To prevent problems from escalating to the point where trust is breached requires collaborative relationships within the workplace. Strong support provides advice, assistance and resources that ensure positive outcomes are reached before external constituencies encounter the results.

CULTURAL CHANGE BEGINS

WITH INDIVIDUALS: The spectacular results at Rocky Flats required a change in the organizational culture, and that required a fundamental change in people’s behaviors and beliefs. Workers abandoned the vision of a weapons production facility that would provide them with life-long employment and embraced the idea of shutting down the facility and working themselves out of a job as fast as possible. They abandoned secrecy and a closed culture and adopted openness. They

abandoned a hostile attitude toward state and federal regulators in favor of a collaborative, collegial relationship. Management shifted its focus from profits to a generous, share-the-benefits approach. For the Rocky Flats culture to change, individuals had to alter their beliefs and behaviors.


LEARNING FROM MISTAKES IS OKAY, BUT LEARNING FROM SUCCESS IS BETTER:

Nobel laureate Thomas Watson’s formula for success was to “double your rate of failure.” That may be true, but at Rocky Flats mistakes could be costly, destructive or even deadly. Errors also made it unlikely that Kaiser-Hill would finish the job in a fraction of the projected time at a fraction of the projected cost. In this case, the organization focused on spectacular successes and extraordinary performance, identified the factors that made them possible, and determined other “enablers” that could be morphed into a strategy and replicated. The Rocky Flats team produced more than 200 technological innovations by analyzing what worked and then improving on it. Errors and problems cannot be ignored, of course, but they often consume an organization’s time and energy. At Rocky Flats, building on success was a priority that produced faster progress than analyzing mistakes.

BUILD STRATEGY ON VISION:

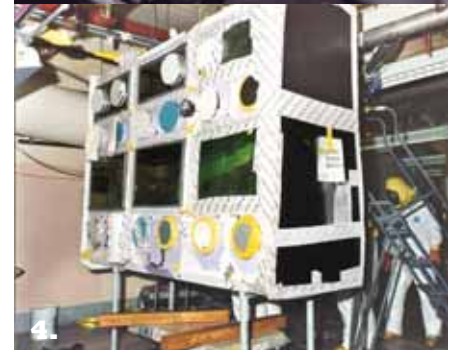
Most models of corporate strategy are based on the organization’s core competencies, the dynamics of the competitive marketplace and differentiators that can produce a sustainable advantage. Spectacular results, however, require a strategy that is built on a vision of what is possible and on what never has been achieved before — closing the abundance gap. The vision at Rocky Flats was built on achieving unprecedented levels of performance. Once aspirations were articulated, a strategy to achieve them was constructed.

VIRTUOUSNESS PAYS: There is inherent value in adopting an “abundance approach” — that is, enabling the best of the human condition, exhibiting virtuous behavior, helping people thrive, being generous with resources, displaying unfailing integrity, demonstrating humility and exercising faith. Within companies, however, this approach also must serve the bottom line or it will be dismissed as irrelevant. At Rocky Flats, virtuousness — pursuing the best of the human condition — produced

unimaginable dividends. Reaching for the highest aspirations possible had a powerful impact, which enabled the team to achieve an objective that at one time seemed impossible — and to do so 60 years early and \$30 billion under budget. 

Scenes from Rocky Flats

1. Uncovering radioactive waste
2. Stripping concrete floors
3. Using a glove box to handle materials
4. Removing a glove box from the site



Stakes High When Emotions Undermine Sales Performance

The emotional undercurrent facing salespeople can be treacherous, according to research by Richard P. Bagozzi, professor of marketing at the Stephen M. Ross School of Business. In a series of studies published since 2000, Bagozzi explores how anxiety, shame, embarrassment, pride, envy and other emotions affect salespeople's behavior.



STEVE KUZMA

Bagozzi, who is also professor of social and administrative services at the College of Pharmacy, taught at the University of Michigan from 1986 to 2001 and then at Rice University before returning to the U-M in 2005. He has published 206 journal articles and authored or edited 14 books. His research spans multiple areas, including structural equations modeling, attitudes and emotion, the behavior and performance of salespeople, and development and refinement of the Theory of Action, which addresses why people do not carry out health-related behaviors despite positive attitudes and strong intentions.

Bagozzi received the Paul D. Converse Award for Outstanding Contribution to the Science of Marketing from the American Marketing Association in 2004 and an honorary doctorate from the University of Lausanne, Switzerland, in 2001.

Dean Robert J. Dolan said, "Richard Bagozzi is arguably the most influential researcher in marketing and is recognized as one of the great scholars of his generation."

The way salespeople cope with emotions and their effects has a direct relationship to job performance, says Richard P. Bagozzi. Self-conscious emotions generally are triggered automatically; and salespeople who cannot control them may become aroused, angry, anxious or despondent during a sales call, which may cause customers to question their credibility. Sales-call anxiety, for example, is commonly accompanied by a protective urge to withdraw from the sales encounter — to avoid contact with customers or, when contact is made, to be submissive and avoid taking steps to close the sale.

The adverse effect this behavior can have on sales revenue growth is obvious — and significant. Salespeople face the possibility, even the likelihood, of experiencing repeated rejection and failure day after day, a difficult psychological environment for sales personnel who are susceptible to self-conscious emotions. As a result, sales-call anxiety is quite prevalent, reaching intense levels for up to 40 percent of salespeople at some point in their careers.

* * *

"Coping with emotions," Bagozzi explains, "differs fundamentally when you look at it from one culture to another."

* * *

A Downward Spiral

From Bagozzi's studies, conducted with Willem Verbeke of Erasmus University in the Netherlands, a picture emerges of salespeople who are, at certain times and under certain circumstances, vulnerable to self-conscious emotions such as fear, shame and embarrassment.

Let's say a salesman is calling on a prospect for the first time. Meeting someone new, feeling pressure to make a good impression, and being wary of transgressions and fearful of rejection can all cause self-consciousness.

The salesperson and customer come from different organizations and have different backgrounds, expectations and objectives. There may be differences in age, gender, race, religion, sexual orientation, social class and standing in the corporate hierarchy — differences that can be magnified during a stressful sales encounter. The salesman questions himself — *Am I dressed appropriately? Have I said the wrong thing? Have I been insensitive?* Doubts emerge about dealing with the customer — *How does she prefer to be addressed? Should I be deferential? What does she think of me?*

What if the salesman does say something that might be perceived as inappropriate? He appraises the situation, consciously or unconsciously, and physiological changes occur — he sweats, his heart races, his voice quivers, his stomach becomes queasy. His attention and judgment are heightened and he focuses intensely on communication signals and social stimuli from the customer. His ability to interact effectively may be curtailed. This is followed by new emotions triggered by the negative emotions — being angry about being ashamed, for example, and hard-to-control ruminations: *Am I capable of doing this job?*

In the future, the salesperson may adopt "protective strategies" that help him avoid this type of anxiety. This may translate into an inability to accomplish key tasks — reaching out to new customers, posing pointed questions and nurturing relationships, an inability that effectively takes him out of the sales game. The greater the shame and embarrassment the salespeople feel, Bagozzi has found, the greater their protective action and subsequent decline in performance.



Cultural Variations

At least that's the picture in Western cultures. In a fascinating study published in the *Journal of Applied Psychology* in 2003, Bagozzi, Verbeke and Jacinto C. Gavino Jr. of the Asian Institute of Management found very different results in Asia.

The researchers compared the effects of shame on salespeople from the Netherlands, who see themselves as autonomous individuals focused on personal achievement, and the Philippines, who see themselves as part of an interdependent social network focused on collective goals. These groups experience the same effects from shame — heightened attention to themselves, a sense of vulnerability, physiological symptoms and an urge to take action to protect their core self-image. "This is part of our biology that we share with everybody," Bagozzi says. "It's human nature."

When shamed, Dutch and Filipino salespeople both take steps to protect their core identity; but their core identities differ dramatically and so do the protective steps they take. To Dutch salespeople, shame signifies personal failure and threatens their self-worth. To protect their individualistic self-image, they will avoid situations that can lead to shame.

This strategy is likely to cause their performance to suffer. To Filipino salespeople, on the other hand, shame during a sales encounter is a threat to their social identity. For that reason, shamed Filipino salespeople don't withdraw from the sales process. Instead, their protective instinct is to take steps to repair the relationship with the customer, co-worker or supervisor at the center of the shameful experience.

In this way, Filipino salespeople stay engaged in the sales process to address the issues that caused the shame, and their job performance improves relative to Dutch salespeople. "Coping with emotions," Bagozzi explains, "differs fundamentally when you look at it from one culture to another."

Corrective Action

How can a salesperson short-circuit the negative effects of self-conscious emotions? Involuntary responses cannot be prevented, but Bagozzi's research suggests effective countermeasures. "Through training, role-playing and practice, salespeople can learn to respond in ways that bring the sales interaction back to a functional and objective exchange of information and away from the disruption of inappropriate and self-defeating behaviors,"

* * *
Sales-call anxiety is quite prevalent, reaching intense levels for up to 40 percent of salespeople at some point in their careers.

* * *
 Bagozzi and Verbeke wrote in *Psychology & Marketing* in 2002.

Countermeasures include:

Awareness: It's necessary to understand destructive behavior in order to change it. Sales managers should be equipped to recognize the signs of self-conscious emotions. When they suspect that fear, shame or other emotions are adversely affecting performance, they should alert the salesperson and work together to address the problem. It's important to adopt a coaching style and help the salesperson understand that her or his responses and behaviors are not unusual and can be managed.

Be aware of triggers: Self-conscious emotions often arise when salespeople are pushed out of their comfort zones — for example, when sales strategies or customer accounts change.

Face the fear: Anxious people continuously perceive themselves as vulnerable and subject to danger. When they avoid threatening situations, they never accurately gauge the threat or their ability to overcome it, so their anxiety remains.

A repertoire of responses: It is often customary not to acknowledge an event that triggered self-conscious emotions during an encounter. On the other hand, salespeople can develop emotional intelligence that enables them to detect and respond appropriately to non-verbal signals that convey disapproval. They also can develop scripts and practice responses to potentially difficult exchanges in order to sidestep the urge to avoid the interaction.

Reduce approval seeking: Salespeople with a high need for approval are less likely to ask for it and more likely to evaluate themselves negatively. Sales managers can help them understand what their self-worth is based on and teach them to focus on knowledge of the customer and the product and not to overemphasize the need for approval for its own sake. ☑

Dave Wilkins

Is Workaholism an Addiction?

For some people workaholism may be an addiction, just like smoking and alcohol are for others, says Joel Slemrod, the Paul W. McCracken Collegiate Professor of Business Economics and Public Policy.



Joel Slemrod

“High-income, highly educated people are particularly likely to suffer from workaholism with regard to deciding when to retire — going cold turkey on their addictive behavior,” says Slemrod, who also directs the Office of Tax Policy Research at the Ross School of Business.

Workaholism, he says, has been linked to a variety of health problems, including exhaustion, stress and high blood pressure, and can take an emotional and mental toll on a worker’s family.

Recently, prominent economists have supported very high taxes on cigarettes and other addictive activities, arguing that these taxes may actually benefit smokers who suffer from self-control problems. Unlike cigarette excise taxes, which are highly regressive (those with lower incomes pay a greater proportion of income in taxes), the appropriate corrective policy for workaholics — who tend to make more money — might involve levying a more progressive income tax burden (those with higher incomes pay a higher proportion of income in taxes), Slemrod says, although not necessarily higher taxes overall.

Using data from the University of Michigan’s Retirement History Survey and Panel Study of Income Dynamics, Slemrod and colleague Daniel Hamermesh of the University of Texas found that workers with more education are less likely to follow through with their intended plans to retire. In fact, each additional year of schooling increases the expected age of full or partial retirement by about four months. “The results suggest that certain more-educated and higher-income respondents simply cannot help themselves,” Slemrod says. “They express an expectation of retirement, but when the time comes, they are less likely to be retired.”

According to the study, workaholics misjudge the benefits and costs of work-

ing more hours per week throughout their careers and working beyond their intended retirement date. Moreover, workaholics acquire their addiction early in their careers. ☒

Highly Taxed Stocks Yield Higher Returns

Investors who own stocks that are more heavily taxed also receive higher returns.

Using new data covering tax burdens on a cross-section of equity securities between 1927 and 2004, Clemens Sialm, assistant professor of finance, found a strong link between risk-adjusted stock returns and effective personal tax rates (total tax paid divided by net taxable income before taxes).



Clemens Sialm

Specifically, a one percentage point increase in the effective tax of an equity portfolio increases the average return of the portfolio by 1.54 percentage points. “Consistent with tax capitalization, stocks facing higher effective tax rates tend to compensate taxable investors by generating higher before-tax returns,” Sialm found. “The average returns of highly taxed securities tend to be high because their valuation levels are relatively low. Thus, taxes tend to depress asset valuations, resulting in higher average before-tax returns.”

Sialm’s study shows that effective tax burdens have varied significantly over time. For example, the effective tax rates on the market portfolio of common stocks exceeded 25 percent in 1950, but dropped to less than 5 percent in 2004.

“The aggregate tax burden on equity securities has declined over the last couple of decades as tax reforms reduced the statutory tax rates on dividends and capital gains,” Sialm says. “Furthermore, corporations replaced a significant fraction of relatively highly taxed dividends with share repurchases.”

According to Sialm, stocks that distribute a greater proportion of their total returns as dividends tend to be taxed more heavily than stocks that distribute a

smaller fraction of dividends. Dividend-paying stocks face, on average, an effective tax rate nearly three times higher than the effective tax rate of stocks that do not pay dividends.

However, these highly taxed, dividend-paying securities tend to earn significantly higher returns. The average return spread between high-dividend and no-dividend stocks is 4.55 percent, whereas the spread is 3.63 percent between all stocks that pay dividends and those that do not.

Sialm says that although dividends are highly correlated with the effective tax rate, it is the latter and not the former that is the driving force behind the higher expected returns. “Stocks paying high-dividend yields tend to have relatively high risk-adjusted returns, particularly in periods when taxes are high,” Sialm says. “This result indicates that the reported effects are likely due to taxes and not due to the fact that dividend yields might proxy for additional risk or style effects.” ☒

Kresge Library Provides Alumni Access to News and Research

Ross alumni can find links to databases that contain thousands of articles and career resources online at <http://www.bus.umich.edu/KresgeLibrary/Services/AlumniServices>. Kresge Library currently provides alumni free access to 12 databases, including:

- Business Source Premier — Contains 2,480 scholarly journals and business periodicals.
- CareerSearch — Provides recruiting contacts by industry, geography and size for nearly one million potential employers.
- Factiva — Offers company and industry financial data and news stories from 6,000 publications, newspapers and magazines.
- WetFeet.com — Provides access to WetFeet.com’s company and industry Insider Guides.

Additionally, alumni can view Ross School faculty working papers at the Social Sciences Research Network. For more details, visit <http://www.bus.umich.edu/KresgeLibrary/Collections/WorkingPapers>.

The Michigan Difference

WHAT IT TAKES



The Ross School is both proud of and grateful for the support it has received from friends and alumni committed to making us, undeniably, the best at what we do.

In 2004 the University of Michigan announced the most ambitious fundraising campaign in its history. The Michigan Difference is a \$2.5 billion capital campaign supporting scholarships, endowed professorships, academic programs and

facilities. The Ross School has been one of the success stories of this campaign, raising over \$300 million to date. With two years left in the campaign, we expect that the momentum created by the extraordinary support of our alumni and friends will enable Ross to meet its \$350 million goal.

“By developing innovative new programs and building a new physical plant to support these programs, we will be able to offer the best business education in the world,” says Dean Robert J. Dolan. “Our talented students will gain the necessary business knowledge and analytical skills, and they will develop unique leadership skills through our action-based learning programs. This combination of theory and practice will prepare Ross students to compete with the brightest and the best

Stephen M. Ross

when recruiters are placing new graduates around the world.”

In addition to the unprecedented gift of \$100 million from **Stephen M. Ross**, BBA, '62, other gifts from generous alumni have enabled the school to move forward with an extensive facilities project that will transform the learning environment for students and faculty.

The necessary funds have been raised to begin construction, but fundraising continues so that we can meet the balance that will be required by the end of construction. We also seek support for the programs and people that distinguish Ross as a superior business school.

Ross alumni and friends are motivated by students and their stories about the rigor and utility of a Ross education. Support from people like **Samuel Zell**, BA '63, JD '66, and **Tom Jones**, BBA '68,



MBA '71, offers students the opportunity to gain practical, real-world experience while they still have the support of Ross' world-class faculty.

Will Caldwell, AB '48, MBA '49, attributes his success at Ford Motor Co. to speech courses he took as an undergraduate in LSA. He and his wife Jeanne have endowed a fund named the Richard Dennis Teall Hollister Business Communication Fund in honor of the professor whom he credits with giving him the skills to succeed. The \$1 million endowment will enhance the BBA Communications program by offering new classes that explore intercultural communications with overseas partners, and programs such as a speaker series that would invite experts in the fields of presentation, persuasion and communication strategies.

David Carson, BBA '55, has donated funds to create the Carson Scholars program. Last spring, through Carson's support, four dozen BBA students spent a week in Washington, D.C., exploring the relationship between government and business. To read more about David Carson and the Carson Scholars program see the article on page 32.

Stanley Frankel, AB '63, MBA '64, and his wife Judy have made it possible to leverage the talent and resources of the Ross School to increase the number of successful commercial ventures that originate at the school. The Frankel Commercialization Fund supports the development of entrepreneurial skills by giving students the opportunity to work with inventors and venture capital companies to accelerate the commercialization of products and processes.

So please take a moment to celebrate what the Ross community has achieved to date in making the Michigan Difference a reality. We hope you look forward, as we do, to the Ross School's continuing evolution into one of most influential learning communities of the future. ☑

Wendy Palms



Will Caldwell

A Blueprint for the Future

Construction is underway for the new Ross School of Business. Thanks to the \$100 million gift from Stephen M. Ross and many other generous alumni, we are managing this project on a timeline that minimizes disruption to our community, allowing us to continue to operate on part of our original footprint while construction takes place.

The goal for the 270,000-square-foot, \$145 million facility is a complete transformation of the learning environment for students and faculty, designed as a perfect fit for the Ross School's action-based curriculum.

Difference Makers

Recently many alumni and friends have made generous gifts to the campaign, a portion of which will ensure the building project's success. While the school continues to raise funds, lead gifts have come from:

\$1 MILLION AND ABOVE

- Jeff Blau (BBA '90) of New York, N.Y.
- Jane Caplan (BBA '86, MACC '86) and Dan Och of Scarsdale, N.Y.
- Campaign Co-Chair Michael (BBA '75) and Susan Jandernoa of Grand Rapids, Mich.
- Frederick (MBA '67) and Darla Brodsky of Dallas, Texas
- Stephen (MBA '70) and Karen Sanger of Minneapolis, Minn.
- Judy and J. D. (BBA '67, MBA '68) Williamson II of Salinas, Calif.

\$500,000 AND ABOVE

- Andrew Barowsky (MBA '74) of Auburn, Maine
- Michael R. (MBA '83) and Debra Gelband of New York, N.Y.
- The Globe Foundation through the auspices of Bert A. Getz (BBA '59) of Scottsdale, Ariz., and Bert A. Getz Jr. (MBA '95) of Northfield, Ill., and family
- Jeffrey (BBA '82) and Jan Rich of Dallas, Texas

\$250,000 AND ABOVE

- Michael J. (BBA '80, JD '83) and Dede (BGS '80) Levitt of Alpine, N.J.
- John (MBA '05) and Nancy Kennedy of Grand Rapids, Mich.; gift will recognize the Executive MBA Class of 2005.
- Michael (BBA '66, MBA '67) and Mary Kay Hallman of Redmond, Wash.
- Robert Tom Zankel (AB '85, MBA '91) of New York, N.Y.

\$100,000 AND ABOVE

- David (BGS '83) and Gayle Sidler (AB '83) Bernhaut of Watchung, N.J.
- Lisa Black (MBA '87) of Rye, N.Y.
- David S. (BBA '62, MBA '63) and Shelley Hickman of Tecumseh, Mich.
- Michael (BBA '87) and Dana Hokin of Scarsdale, N.Y.
- Hal (MBA '68) and Mary (AB '69, CERTT EDUC '71) Kellman of Fremont, Calif.
- Clyde (BBA '70, MBA '74) and Harriet (AB '69, CERTT EDUC '69) McKenzie of Empire, Mich.
- Vincent McLean (BBA '54, MBA '55) of Westfield, N.J.
- Ravi (MBA '96) and Christine (MBA '97) Mohan of San Francisco, Calif.
- Timothy W. (MBA '80) and Beth O'Day of Hinsdale, Ill.
- Richard E. (MBA '72) and Ann Caroline Posey of Chagrin Falls, Ohio
- G. Leonard (BBA '64, MBA '65) and Dorothy Teitelbaum of Holmdel, N.J.
- A. Kirk (MBA '80) and Connie Twiss of Chicago, Ill.
- Gary T. Walther (BSME '60, MBA '63) of Chicago, Ill.



Managing HR in a Multicultural World

CYNTHIA TRAGGE-LAKRA, MBA '93, MA '93



As senior vice president of human resources for GE Consumer Finance, Cynthia Tragge-Lakra brings a lifelong appreciation for cultural differences.

“The way I interact with someone in Brazil is quite distinct from how I interact with people in the U.S. or Canada,” she observes. “Understanding what motivates employees in different cultures and environments is key to running a successful multinational company.”

Her global awareness emerged early. For three years in high school, Tragge-Lakra was part of a special program in which students met and discussed world events from alternate viewpoints. “For example, a textbook might teach about World War II from a U.S. perspective, but we would look at it from the vantage of people living in Germany or Japan,” she explains. “The point was to recognize there is no single right way of thinking.”

* * *

“The way I interact with someone in Brazil is quite distinct from how I interact with people in the U.S. or Canada. Understanding what motivates employees in different cultures and environments is key to running a successful multinational company.”

* * *

Tragge-Lakra came to the University of Michigan to pursue an interest in French literature, but became captivated by China — its social movements, history and culture. “Asia was the wave of the future, and I wanted to be on board.” She moved to mainland China after graduation and quickly found work in Beijing and later in Fukuoka, Japan. Then, ready to expand her skills, she looked for a degree program that combined international business and Asian studies. Nothing topped the opportunities at Michigan.

“Because of the way the Michigan MBA is structured, I gained a much deeper understanding of how multinational companies operate,” she relates. “Beyond general management, we were exposed to aspects of accounting, statistics, operations, finance — the full range of expertise that is needed to move the whole enterprise forward.”

She was in on the early stages of the school’s Center for International Business Education and helped launch the William Davidson Institute. A Global Fellow, Tragge-Lakra also made valuable contacts with participants in Executive Education, and gained insights on “how executives think.” Professor Noel Tichy, director of the Global Leadership Program, raised her interest in human resource management and opportunities at General

Electric. With an MBA in international business and an MA in Asian Studies, she easily could have resumed her career abroad. But she wanted to prove herself in a large American corporation.


“I had only worked for small businesses; my early experience was in managing call centers for my mother’s telephone answering service. So I was always intrigued by large companies. They seemed to offer a wealth of resources — much like the University of Michigan.

“GE views HR as pivotal to the company’s future,” she adds. Working within five different GE businesses over the past 13 years, she is responsible for leading the company’s strategy on labor and communication issues and executive talent development. Tragge-Lakra and her team support some 33,000 workers across 15 countries.

Her attraction to other cultures also is reflected in her personal life. She is married to **Rajeev Lakra**, MBA '91, who works at GE in risk management and has family ties to India, Thailand and Singapore. Besides international travel, the couple’s spare time is focused on their three-year-old daughter Lauren. The family lives in Weston, Connecticut.

Each day, Tragge-Lakra engages the curiosity about people and cultures she discovered in high school. She credits Michigan with deepening her understanding of each business function in the global environment. “From an HR perspective, it helps me assess individual capabilities and develop leaders and programs that will meet our future needs.

“What’s exciting is that I’m really responsible for understanding the differences among employees from country to country,” she relates.

“I also try to focus on what’s the same: a corporate culture that emphasizes integrity, personal development and performance. These are core values that we have proven work throughout the world.” 

Pat Materka

Distilling the Spirit of Sustainability

ROB FREDERICK, MBA '00, MS '00

From SUVs to Kentucky bourbon, Rob Frederick's career path made a jackknife turn. And it illustrates a promising trend: More companies are addressing environmental and social issues as part of their business plan.

"Sustainability — a commitment to social responsibility and environmental stewardship — is reaching beyond niche leaders like Ben & Jerry's and Patagonia," he contends. One mainstream example is Ford Motor Co., where Frederick was part of a small team of specialists focused on sustainable business practices. For five years, he led Ford's response to issues such as greenhouse gas emissions and climate change. He helped market the fuel-efficient Escape Hybrid and developed a corporate citizenship report that was ranked second best in the nation.

* * *

He sees two opportunities for students who share his interests: "One, become a specialist in corporate responsibility; or two, expose yourself to environmental and social issues and bring this awareness to whatever field you choose."

* * *

In 2005, Frederick was named assistant vice president and director of corporate responsibility at Brown-Forman Corp., whose products include name-brand wines and spirits such as Fetzer and Jack Daniel's. In his new position, he is developing programs addressing social concerns. "The issue is how we encourage responsible consumption of our product. We must tackle problems such as underage drinking and drunk driving. Alcohol abuse is bad for our communities, our consumers and our company.

"There is also an environmental component," he continues. "Stewardship is

important across all our business activities, from how the grains and grapes are grown, to how the product is made and transported, to what happens to the empty bottles. How do we conserve our natural resources?"

Brown-Forman points to a history of citizenship; however, its newly created corporate officer position raises that commitment to a new level. Frederick heads a small office that reports directly to the COO.

And what is the source of his passion? "I wish I had an epiphany story," he confesses. Maybe it was the family vacations in Maine and studies abroad in Australia that made him appreciate "the pristine outdoors." He found an instant match in Duke University's new degree program that combined environmental science, public policy and economics. "As an undergraduate might, I thought companies were at the root of the problem," he relates. Three years into working near D.C. as an environmental analyst, he decided that companies could be part of the solution.

"And at Michigan's business school, I realized companies have considerable power and influence to bring about changes." Once again Frederick chose a new entrepreneurial program leading to an MBA and an MS degree from the School of Natural Resources and Environment through the forerunner of what today is known as the Frederick A. and Barbara M. Erb Institute for Global Sustainable Enterprise. While at U-M, he helped create and teach the first-ever undergrad-

uate course in business and environment.

"I enjoy things that are new and entrepreneurial — different interests coming together and finding a common ground," says Frederick, who sees internal education, along with advocacy, as a key part of his role at Brown-Forman. He is bolstered by a strong network of peers entering this growing field of practice, bringing in brands like Nike, Starbucks and Timberland, and more recently GE and Wal-Mart.

Another plus: "My wife Amy, who is



a PhD candidate in art history, is from Louisville, so this is a rare chance to be close to family while doing work I love." The Fredericks have two daughters, Lucy, 1, and Caroline, 4. He is active in several local and international organizations, serving on the boards of Bernheim Forest and Global Reporting Initiative. He also enjoys Kentucky horseracing, running and golf.

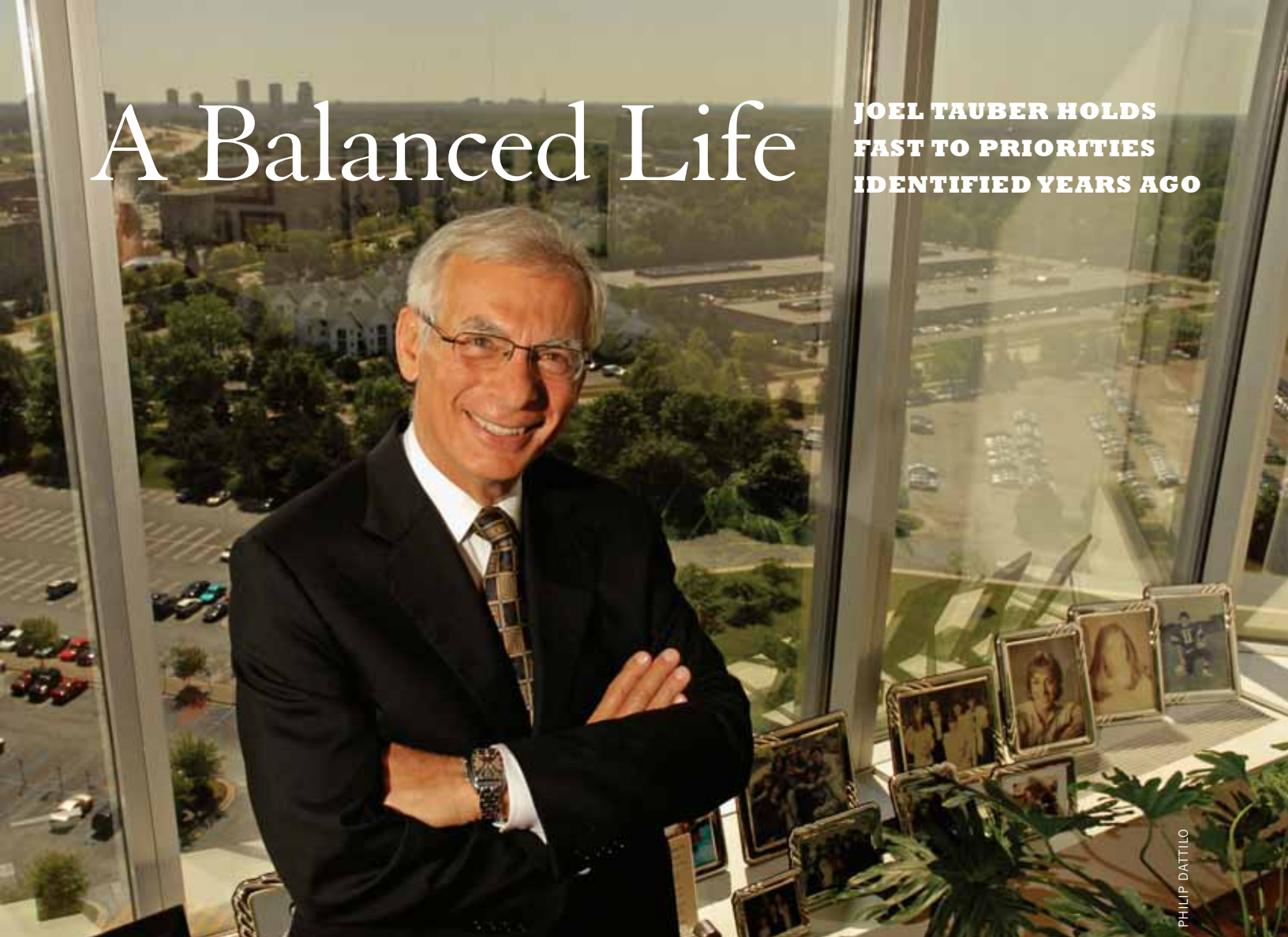
Frederick sees two opportunities for students who share his interests: "One, become a specialist in corporate responsibility; or two, expose yourself to environmental and social issues and bring this awareness to whatever field you choose."

Either path is positive. "Ultimately, we need to be able to make the case that responsible business is better business," he concludes. "The Ross School's MBA program gives you the skills and language to take action and make a difference." ✉

Pat Materka

A Balanced Life

JOEL TAUBER HOLDS
FAST TO PRIORITIES
IDENTIFIED YEARS AGO



PHILIP DATTILO

Joel Tauber is on his feet fast with his hand extended and a quick grin lighting his face. His words roll out fast too. You've barely entered the offices of Tauber Enterprises, high over suburban Detroit, before he's running you through the framed family photos along the window sills — "...wonderful wife, wonderful kids..." — then a quick autobiography — "I'll just give you a brief summary..." — a round-up of his current projects — "There's a lot going on..." — a list of changes he's pushing for the Ross School's Tauber Manufacturing Institute — "It'll make a huge difference..." — a glance at the auto-supply industry — "I'm convinced now is the right time to buy..." — a quick analysis of the Arab-Israeli crisis — "...the U.S. must mediate, it can't happen without the United States."

And before you know it an hour is gone and you're out the door thinking that only a guy who covers ground that fast could do everything Tauber has done, which includes raising a family, building a small scrap-metal business into a manufactur-

ing empire, running the massive United Jewish Appeal and playing a central role in the historic emigration of hundreds of thousands of Jews from the Soviet Union and Ethiopia to Israel.

Yet for all his sense of hurry, he leaves the impression of a life in balance. He lacks the uneasy restlessness that one detects in many highly successful people. At 71, he's been working for nearly 50 years. But he looks and acts young. He may move fast, but you sense the serenity at his core. You think: "This is a happy man."

Tauber started fast. He graduated from Detroit's Mumford High School, the same alma mater as another business school benefactor, **Stephen M. Ross**. By age 24, he had completed a BBA (1956) and a law degree (1959) at Michigan, married and started a family. A Michigan MBA (1963) came soon thereafter.

Caught up in the cross-pressures of family and work, he sat down with pencil and paper before he was 25 and wrote down a set of priorities. It was an astoundingly

simple plan, and it worked.

"I said, okay first I have to think of my family, my kids. Second came making a living: I have to feed everybody. Third came physical fitness. My dad died very young. Heart — 52 years old. So that became a matter of urgency."

He gestures to his flat belly. "As you can see, 71 years old, not too bad."

"Fourth was philanthropy. Fifth was social."

"Every few years, I'd reevaluate where I was in my life. And I've kept those same priorities to this very day. The amount of time I've put into each varied drastically. But the priorities stayed the same."

"Where I had a conflict, I always chose things in that order. My son said to me maybe a year ago, 'Dad, how did you always go to all my events and manage my teams? I'm going crazy here trying to do all these things!' I did it because that was what was important to me."

Making a living — and it became a very good one — occupied most of his time for the first 30 years of his career. His first wife's father Barney Keywell — “a major, major part of my life” — hired Tauber to help run his newly acquired manufacturing operation, which had supplied the auto industry for many years. Despite a divorce, Tauber remained the head of the operation. He diversified the firm into plastics, engineered a series of leveraged buyouts and by the early 1990s presided over close to a billion-dollar cluster of companies with some 30 factories. Married to his second wife Shelley, he began to devote much more of his time and energy to philanthropic activities.

Among his interests was the University of Michigan Ross School. His key contribution — the Tauber Manufacturing Institute (TMI) — began with the memory of his own transition from business school to the job of running a factory that made those most basic of industrial products — nuts and bolts.

“I found out that even with all my degrees, I was totally inadequately prepared for what I faced,” he says. “My first problem was just how to count the stuff. For a lot of reasons, people wouldn't give me an accurate count. You know, I was all set to use my accounting knowledge and it totally distorted my books, because my base numbers were wrong. I was getting bad production numbers. So I set up a training program for myself.”

The idea of a joint manufacturing program in business and engineering to provide training in real-world manufacturing settings took shape at the U-M in the early 1990s. At the instigation of then-Dean B. Joseph White, Ross School Professor Brian Talbot and a College of Engineering counterpart formed the Michigan Joint Manufacturing Initiative (MJMI), which admitted its first students in the fall of 1993. Tauber was so enthused about the program that he committed \$5 million to support it — transforming MJMI into the Tauber Manufacturing Institute.

“In a quiet, non-arrogant way, Joel had an aspiration to greatness that he followed through on,” says Dean Robert J. Dolan. “He saw something that could happen that would be very special, and he didn't cut any corners. He saw that TMI was going to have to include both the business school and engineering. It was going to need practitioners on advisory boards. And it was going to take a significant amount of money. And he wasn't



Joel Tauber helped relocate Jews of Ethiopia to Israel in 1991, when the African nation was embroiled in civil war.

saying, ‘I'll do this little piece and you guys have to do the rest.’”

Tauber immediately became engaged in TMI, including spearheading the rest of its endowment fundraising. He saw that if manufacturers were consulted on what should be taught at TMI, they'd spend less on educating new graduates about real-world manufacturing, thus making those firms good prospects to become donors to the institute. That approach has helped TMI establish an endowment worth close to \$20 million.

Now, a decade later, Tauber is watching the globalization of manufacturing and arguing for TMI to push its boundaries outward. “The world's changed,” he says. “The Dell model of doing no manufacturing, just managing the supply chain, has become the prevalent methodology. Cars today are made everywhere — Japan, America — and the parts come from all over. So the whole nature of manufacturing has changed.”

As a key adviser to TMI and a member of its industry advisory board, Tauber wants to see the institute set up close ties with business schools in the Far East, Middle East and Eastern Europe. In those far-flung places, Michigan students would embark on the same sort of hands-on learning that TMI students have undertaken in the United States.

“Students see the global change. They're plenty smart at Michigan; they've figured that out. They want an opportunity to go work in China. A guy who speaks Chinese, has an MBA and an engineering degree — he's going to be pretty popular out there.

TMI John Deere team members, left to right, Jens Nielsen, ME '07, Karen Putterman, MBA/MS, '07, and Caroline Conway, MBA/MS '08, worked this summer on a supply chain initiative to deliver seeding machinery components to Russia. The team, shown here in front of St. Basil's Cathedral in Moscow, presents its summer project at *Spotlight!* on September 15 in Ann Arbor.

* * *

In his 45 years in American industry, Tauber has seen hard evidence of the proposition that success requires keen attention to constant improvement.

“The Japanese who came up with the Toyota method — I was thinking about that the other day,” he says. “How did we let them come up with that? We dropped the ball there. The steel industry in the '60s, the auto industry in the '80s, IBM in the '90s — you think you have the right formula, but you never do.”

* * *



"It's a major change that will make a huge difference. It'll change the whole nature of the institute. We're thinking of changing it to the Tauber *Global Manufacturing Institute*."

In his 45 years in American industry, Tauber has seen hard evidence of the proposition that success requires keen attention to constant improvement. "The Japanese who came up with the Toyota method—I was thinking about that the other day," he says. "How did we let them come up with that? We dropped the ball there. The steel industry in the '60s, the auto industry in the '80s, IBM in the '90s—you think you have the right formula, but you never do."

"You have to be on the cutting edge all the time. What's new? What can I change? How can I make the future different and better? Living on the outer edge is not comfortable because you make mistakes. You have to be willing to accept that. But if you keep yourself on the cutting edge, then you're always ahead of the game."

* * *

"A lot of my friends spend a lot of time on the golf course. I think they're missing something. Play golf? I love golf. I played it for years. I gave it up five years ago because it was just taking too much time, and there wasn't enough gratification. Does it matter if I shoot 82 or 86? I mean, yeah, okay, that's nice. But as compared to ...? They're giving up something, in my view. You get tremendous internal satisfaction out of helping others."

* * *

In his mid-30s, Tauber visited the site of the infamous Nazi concentration camp at Mauthausen, Austria, the mountain town where tens of thousands of Jews and political prisoners were worked to death in rock quarries and tunnels.

"I made up my mind then that I was always going to speak out," he says. "I remembered from my youth, it was always, 'Shh! Don't talk about it! Don't let anyone know you're Jewish!' In my view, that's one of the causes of the Holocaust. If people had spoken out more, had taken stronger positions and united and marched

and done some dramatic things like we're doing in Darfur now, it could have been different. Maybe nobody will listen. Maybe they will. But myself and my generation—we're always going to speak out as Jews to make sure it never happens again."

He had always been active in the affairs of his temple and the local Jewish community. But in the 1980s and 1990s, Tauber stepped into much larger roles. He became one of the key Americans who raised \$1 billion to move 1.3 million Soviet Jews to Israel and the United States. When the Jews of Ethiopia were put at risk amid political violence in 1991, he played an even more active part.

"I went there and met them. We brought out 14,000 in one weekend. The Israeli Air Force flew planes back and forth from Ethiopia in the middle of a civil war. Fabulous story. And a very important part of my life."

Back home, as president of the United Jewish Appeal, he worked to consolidate all the major Jewish organizations into a single organization, an effort he now regards as "huge, unpleasant and, I must say, basically never reached its potential." Yet he remained heavily committed to Jewish causes, consulting with U.S. and Israeli leaders and raising more money to assist the Ethiopian Jews.

"Because I had such an investment in the Ethiopians and I didn't like the way they were being integrated into the mainstream of Israeli society, I got involved. But the heart of the money I wanted to see spent was in Israel, upgrading the status of the Ethiopians, because it wasn't done right. We know now how to do it right."

Through all of this, Tauber remained an active businessman. But here too his incentive had shifted from profits to people.

"Eight or ten years ago," he says, "I decided, 'Ah, I've made enough money to do the things important to me.' But I always maintained a finger in my businesses—buying and selling, as a non-executive chairman—and that put me in a position where they would come to me and we'd discuss strategies."

He consults often with his son **Brian**, MBA '92, JD '92, who runs two of the Tauber Enterprises companies, and Joel remains an active adviser to executives throughout the concern. "It keeps me young," he says. "I'm thinking about issues where I can make a contribution. That's extremely gratifying."

"The kid that runs my largest business, I hired him out of Michigan—captain of the basketball team, Mark Lozier. Very strong personality. Great leader. Early on, we had some conflict in our relationship. And it's evolved over time. It's been, like, 25 years, and we have a very close relationship now. We had an annual meeting the other day where I made that point. I said one of the reasons I was staying in the business was that I care about Mark. That's very satisfying."

"The selfish part of my still staying active is keeping my mind sharp. I've found that the mind needs exercise the same way the muscles do, and I was afraid that if I went into the golf/gin-rummy mode, it would atrophy. Other people, it's great, that's good for them. But not for my makeup."

Why does Tauber do so much to help others when he could kick back and pursue personal pleasures?

"I've asked that question of myself. It's very hard to say. A lot of my friends spend a lot of time on the golf course. I think they're missing something. Play golf? I love golf. I played it for years. I gave it up five years ago because it was just taking too much time, and there wasn't enough gratification. Does it matter if I shoot 82 or 86? I mean, yeah, okay, that's nice. But as compared to ...? They're giving up something, in my view. You get tremendous internal satisfaction out of helping others."

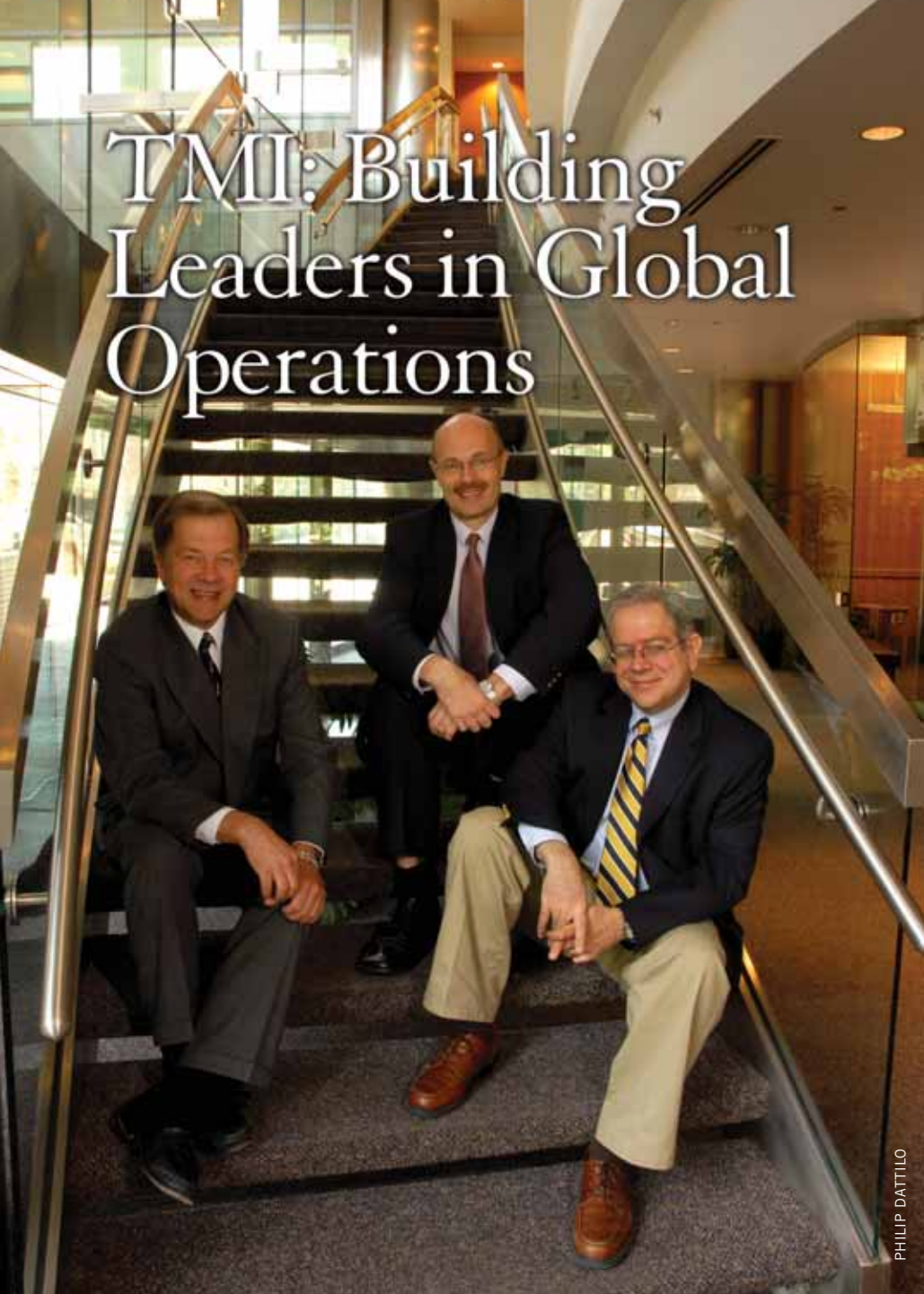
Gratification comes in small ways and in unexpected moments. Not long ago, Tauber was at a football game at Michigan Stadium when a man in his 50s approached him and said, "I want to thank you." He told Tauber that a scholarship from a fund set up by Tauber's father-in-law had helped him through Michigan.

"But that wasn't why I stopped you," the man said. "My son just graduated from TMI and he was president of the student organization."

"That just made me feel very good," Tauber says. "That's gratifying—to make a little, teeny-weeny difference. Not a big difference. I know that. But in one person's life, maybe. And that's pretty good." ☑

James Tobin

TMI: Building Leaders in Global Operations



PHILIP DATTILO

Globalization has given rise to many challenges, but reports of the death of American manufacturing are premature, according to the co-directors and members of the Industry Advisory Board of the Tauber Manufacturing Institute (TMI).

In fact, predict the industry representatives, though some manufacturing activities inevitably will move to lower-cost offshore regions, demand for manufacturing leaders trained in business and engineering will increase as a result of such globalization. TMI, which currently places 100 percent of the 45 to 50 students it graduates each year, plans to expand enrollment to 70 to

80 new students per year. Nationally known for its action-based learning and leadership components, TMI also brings together business and engineering students and faculty to develop solutions to manufacturing challenges. TMI-affiliated faculty members share this new knowledge in the classroom and in the wider business community.

When TMI was established in 1993 as a partnership of the Ross School, College of Engineering and private industry with the support of advocates like **Joel D. Tauber**, BBA '56, JD '59, MBA '63, its goal was to give American manufacturing a boost.

Left to right, TMI Co-directors Robert Culver, Roman Kapuscinski and Yavuz Bozer anticipate increased demand for leaders trained in business and engineering.

The institute has broadened its scope in recent years to include all aspects of operations management and manufacturing strategy. "We're extending the boundaries," explains **Robert Culver**, MBA '75, TMI's industry co-director and adjunct professor of business and engineering.

"Our mission remains the same: to develop a new breed of executives with advanced capabilities in engineering and business management. But our definition of manufacturing has grown beyond the four walls of the plant and includes everything from product design, logistics and supply chain to production and even finance. We're looking at the whole enterprise," says Culver, who joined the U-M in 2004 after retiring as a senior manager at Ford Motor Co., where he had worked for more than 35 years.

* * *

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* * *

"Because of globalization and the need to coordinate manufacturing processes resulting from increased fragmentation of production, firms will place high value on supply chain managers for the next 10 to 15 years," predicts Roman Kapuscinski, the Goff Smith Co-Director of TMI and associate professor of operations and management science at Ross.

Operations people, by necessity, are becoming supply chain experts, says Kapuscinski. He cites the example of a small firm that supplies Gap clothing stores. The garments are assembled in as many as five countries. Because shipping and lack of coordination add to costs, Kapuscinski predicts cheap, small items like clothing and toys will continue to be produced far from where they are sold, while more complicated and bulky products such as automobiles are likely to be produced closer to the consumer.

"Few countries are providing the kind of training people need to become supply

Left to right, TMI team members Jeffrey Zens, MSE '06, Shilpa Maniar, MSE '07, and Aram Mazmanian, MBA/MSE '06, worked at Lockheed Martin Space Systems Co. in 2005 on a project to optimize and relocate warehouse functions.

chain experts. We want to be the best in this fast-growing area,” says Kapuscinski.

TMI grew out of the Michigan Joint Manufacturing Initiative (MJMI), which accepted its first students in 1993. Tauber, whose major gift was responsible for the transformation of MJMI into TMI, recalls, “When I was invited to take over a manufacturing business more than 30 years ago, I had to develop my own training program because what I learned at business school didn’t prepare me to understand the whole organization. I worked with people on the business side and manufacturing side and came to realize that a comprehensive approach was a much more effective way to prepare for this kind of business.”

Since TMI’s founding, more than 500 University of Michigan graduates’ transcripts note their fulfillment of TMI’s extra requirements in addition to their master’s degrees in business or engineering. Some students have earned degrees in both business and engineering.

Only two universities offer similar programs of this caliber: Massachusetts Institute of Technology’s Leaders for Manufacturing and Northwestern University’s Master of Management and Manufacturing. However, TMI stands out from the competition, notes Yavuz A. Bozer, the Ford Motor Company TMI



Co-Director and professor of industrial and operations engineering. Contributing to TMI’s distinctiveness are its unique summer team project internships and its formal leadership development program.

Team Projects

TMI’s 14-week team projects are a learning experience not just for the students, but also for the faculty advisers and industry sponsors. A team of at least one MBA student and one engineering student work with a company on a specific problem. “We call it operations-related consulting,” explains TMI Managing Director Diana Crossley. Each team works at the corporate sponsor’s site dur-

ing the summer and presents its analysis of the problem and specific recommendations to the sponsor. In many cases, the teams actually pilot the recommendations or begin the implementation process. In mid-September back in Ann Arbor, the students present their project findings at the *Spotlight!* competition to an audience of students, alumni, faculty and recruiters. At *Spotlight!* industry judges evaluate each project’s scope, implementation and impact as well as the team’s presentation skills. The top three teams earn scholarship prizes totaling more than \$30,000.

“Companies expect more from TMI interns and, in turn, the TMI teams get considerable exposure. It is common for teams to present their efforts to a vice president or even to the CEO,” Culver says. “Also, because each project has a faculty adviser from both business and engineering, students have the advantage of looking at projects from two dimensions.”

Students gravitate toward projects that deal with strategic issues and have high value to the sponsor, says Crossley. “Students like the teaming aspect, especially the opportunity to work with classmates from different backgrounds. Team projects also are an opportunity to learn about a corporation’s culture and the sector in which it operates.



Left to right, TMI Boeing 777 team members Wilfredo Durand, MBA '07, Taoufik El Khazzani, MSE '06, and Vince Giovannetti, MBA '07, stand in front of an engine, with cowls extended for testing.

“We see a huge change in students between the beginning and the end of the summer. MBA students, who usually are five years older than their undergraduate engineering teammates, realize how much engineers contribute. Engineering students, most of whom are in the Engineering Global Leadership Program and come in with extremely high grade-point averages, also gain an appreciation for the MBAs,” Crossley adds.

It is not unusual for a TMI team project to save the sponsor \$5 million or more, she reports. First-place award winners in 2005 were **Isaac Jacob**, MBA '06, and **Stephanie Fidler** and **Kristen Neubauer**, both MSE '06. The team recommended a facility consolidation plan and product realignment strategy for Boeing–Commercial Aviation Services designed to produce annual savings exceeding \$24 million in addition to a cash-flow improvement of over \$90 million from a one-time inventory reduction.

Working with Pfizer Inc., another TMI team demonstrated how to incorporate traditional manufacturing disciplines in a nontraditional production environment, increasing the effective capacity of the pharmaceutical giant’s so-called “kilo” lab facilities by more than 20 percent without significant capital expenditures.

Last summer two teams — one assigned to Intel and another to Dell — worked together on a supply chain project for the two firms. Another TMI team worked with first-time sponsor John Deere on a supply chain initiative to deliver seeding machinery components to Russia, a daunting task because the assembled equipment is too large to ship.

Faculty members like Kapuscinski find that team projects provide effective illustrations to use in their own classes — real-life situations to which students can relate. “TMI projects are sophisticated. The answers are not always obvious, so they also become a good source of research questions,” adds Kapuscinski. A 1999 project for Dell inspired a study that focused on savings through online pricing.

Bozer says serving as TMI project advisers helps faculty members build relationships with industry more quickly than they might on their own. These contacts can lead to case studies and sometimes consulting relationships. “The companies want these projects to be successful. We have deliverables and are able to apply knowledge in creative ways,” says Bozer.

TMI Alumni Advise Students: Think Globally

“Think globally,” was the overriding message for students attending the Tauber Manufacturing Institute’s (TMI) first alumni panel discussion held this spring on North Campus.

Robert Bruning, MBA '97, set the tone by expanding the day’s theme, “The Future of U.S. Manufacturing,” to address the broader issue of global supply chain trends. As principal with PTRM Management Consultants, Bruning has consulted with 15 companies to assess and improve supply chain performance.

“In the 1970s and 1980s, manufacturing was seen as an isolated function. Since the 1990s, companies have moved toward integrating the four elements of plan, source, make and deliver under a single umbrella,” he explained.

Global trends have forced companies to change from a transactional focus — efficiency — to a strategic focus. These trends include increasing supply chain complexity, the need for collaboration with suppliers and customers, customer fragmentation, and pressure to manufacture and price things more cheaply, Bruning said.

“Increasingly, organizations view the supply chain strategy as an executive-level issue,” he added. “Supply chain strategy impacts many levels of performance, whether you are competing on innovation, cost, quality or speed-to-market.”

Dean Degazio, MBA/MEM, '99, lead engineer with General Motors Corp., also noted ways in which the manufacturing industry is changing and evolving. “Wage gaps (between American and overseas workers) persist, but skill gaps in production labor are closing rapidly. Places like India are more than capable of doing design work. The General Motors car being built in Canada has parts that are made all over the world. No matter where you work,” he told the approximately 60 students, “you will be dealing with global issues.”

And **Katherine Pearce**, MSE '03, a business operations analyst with Beaumont Hospitals, illustrated that opportunities for TMI graduates extend beyond traditional manufacturing companies.



ABOVE Left to right, Dean Degazio, Katherine Pearce and Robert Bruning discuss global supply chain trends at a TMI Student Advisory Board-organized program attended by John Adams, MSE '06, center, and classmates in the photograph below.

“As far as we know, Beaumont is the first hospital in southeast Michigan to hire industrial engineers in its information technology department,” she said. The IEs were brought in to review the transition to new software throughout the hospital, with the goal of matching departmental processes to the software, rather than necessitating costly software changes.

“Our goal is zero customization,” Pearce said, calling the engineers “a bridge between the technical resources and the end users.”

All three speakers emphasized an abundance of opportunity for TMI graduates. “Many companies we work with are reactive. They contact us when they encounter problems, such as shrinking markets, loss of customers or huge warehouses of unsold inventory,” Bruning said. “Or perhaps they have just merged with another company and need to integrate their operations. We are encouraging companies to become more proactive as they look at supply chain strategies.”

“The supply chain is the way you get your products from your suppliers to your customers. It has a huge impact on how customers perceive the overall performance of your company,” Bruning concluded. **M**

Pat Materka

Alcoa's Allison Allgaier Pursues Passion: Operations and Strategy



Come mid-September, you're likely to find **Allison Allgaier**, MBA '01, in Ann Arbor. The draw for Allgaier is the annual *Spotlight!* competition in which teams of University of Michigan business and engineering students present their summer intern projects to panels of industry experts who serve as judges. Top teams win thousands of dollars in prizes.

"*Spotlight!* is my favorite excuse to come back. It is fascinating to see the high quality of the projects. I'm always impressed," says Allgaier, whose team won first place in 2000 for a project sponsored by the Copeland Corp. She and her Tauber Manufacturing Institute (TMI) teammates developed and implemented a leaner global supply chain for Copeland, which manufactures air-conditioner compressors.


Today, as the services manager for aerospace marketing for Alcoa Inc. in

Bettendorf, Iowa, Allgaier does "lots of number crunching." In her third position at Alcoa, she analyzes aerospace customer data to predict where the market is going and develops integrated supply chains. Shortly after graduation, Allgaier joined Alcoa as a manufacturing specialist, working with departments to develop and implement lean manufacturing initiatives. In 2002, she was promoted to general supervisor. Her responsibilities included overseeing daily operations and strategic direction for five production centers. In addition to developing new safety programs, Allgaier led process-improvement efforts that resulted in a 25 percent productivity increase in two of the production centers.

"I really get satisfaction from making things and solving problems," comments Allgaier, who worked in healthcare before enrolling at Ross. It was while negotiating managed-care contracts for Tenet Health-

care Corp. in Dallas that Allgaier realized "operations are my passion."

She recognized that she needed to build her credibility to change careers successfully. "TMI was one of the reasons I chose Ross. I was looking for a school strong in operations and international business," recalls Allgaier, who speaks Cantonese and Mandarin and served two years as a Church of Jesus Christ of Latter-day Saints missionary in Hong Kong.

TMI and other action-based learning opportunities — including a Multidisciplinary Action Project in which her team recommended what maintenance work DTE Energy should outsource — equipped Allgaier to be a leader in operations and strategy at Alcoa. 

Leadership Advantage

TMI's structured emphasis on leadership through its Leadership Advantage program is one of its strongest selling points, according to students. The program, a series of modules required of all first-year TMI students, consists of 16 workshops taught by faculty from both schools and outside consultants.

During the first semester, TMI students complete a personal assessment that addresses team leadership interaction and

individual leadership characteristics. Many of the modules stress communication and teamwork. In one module, "The Pit Crew Challenge," randomly assigned teams learn to change tires on a NASCAR race car. Teams practice once and then compete with other teams in timed trials. Students learn to understand the elements of effective teamwork: goals, roles, responsibilities, interpersonal relationships and team processes.

Vincent Giovannetti, MBA '07, who participated in the Pit Crew Challenge in January, recalls, "Most teams saw marked improvement from each run to the next, mostly as a result of improved techniques and strategies. The most poignant moment came when the professional pit crewmen reminded us that they could have served as valuable resources for advice about the optimal processes." Jolted by the professional crew's candor, Giovannetti noted, "It is unlikely that TMI students will fail to identify and network with anyone

Left to right, TMI students Ryan Rindler, MSE '07, and Karan Seth, MSE '08, learn the fastest way to change race car tires from Track Time Driving Schools' Garrett Kern in preparation for the Pit Crew Challenge.

who can contribute toward a successful summer project."

In another session titled "Leading Up, Down and Sideways," students learn what it takes to manage relationships with subordinates, peers and bosses. Other sessions focus on a range of topics, including how to conduct business and dine at the same time, value stream mapping and Six Sigma.

Academics

All TMI students enroll in an interdisciplinary course called "Topics in Manufacturing." Kapuscinski coordinates the survey course, which covers everything from general business strategy, operations strategy and lean manufacturing to issues related to product design, environmental concerns and ethics. The three-hour sessions are taught by faculty and industry experts. For example, William Lovejoy, the Raymond T. Perring Family Professor of Business Administration and chair of operations and management science, teaches "Integrated Operations." Students learn about environmental issues from Steven J. Skerlos, assistant professor of mechanical engineering, who designed a cell phone that disintegrates a few years after



it is discarded, thus saving landfill space.

TMI also has helped develop electives that integrate engineering and business concepts: “Integrated Product Development,” which was featured in the spring *Dividend*, “Reconfigurable Agile Manufacturing,” “Manufacturing and Supply Operations” and “Sustainable Manufacturing.” Making the TMI experience truly cross-disciplinary, all business students are required to take some courses through the College of Engineering and engineering students must take a certain number of business courses.

Life after TMI

Many MBA students come to the Ross School interested in finance, marketing or consulting, notes Kapuscinski. Those who plan to go into consulting realize that in many cases consulting *is* operations, information technology and process improvement. TMI provides the broad experience they need, he says.

It is natural, then, that TMI graduates tend to gravitate toward larger firms like Dell Inc., Alcoa Inc., Intel Corp., Ford Motor Co. and the Boeing Co., where they are tapped for “fast-track” general-manager development programs, management positions in operations or manufacturing, and as strategy and planning analysts. TMI graduates also are highly sought after by leading consulting firms, including McKinsey & Co. and A. T. Kearney. Of TMI’s spring 2006 graduates, almost 70 percent took jobs with manufacturing firms, 23 percent joined consulting firms and the remaining graduates opted for positions in the service industries.

“These firms highly value the multidisciplinary education and team project experience obtained by TMI students.

Left to right, TMI students Elizabeth Holdsworth, MSE ’07, Rahul Deshmukh, MBA ’07, and William Chen, MSE ’06, worked on a materials management project at the Boeing 737 manufacturing facility.




Employers like the fact that TMI graduates can hit the ground running and make immediate contributions to the business,” Crossley says.

Thomas Beddow, 3M’s staff vice president of public affairs and government markets and president of the TMI board, says, “3M really values TMI graduates. You can hire an engineer, but an engineer with business skills is even better.”

For recruiters like James R. Kelloso, manager of supply network research for

Intel Corp. and a member of the TMI Industry Advisory Board, attracting TMI grads to Intel is a strategic goal. He keeps in touch with TMI students throughout their time at Michigan — both those who intern at Intel and others he meets at TMI events. As a result, reports an exuberant Kelloso, “We had a very good recruiting year — we hired five TMI grads!”

To learn more about TMI, visit www.tmi.umich.edu. 

Mary Jo Frank

TMI Alum Guides Life Fitness Manufacturing Strategy

As senior manager of manufacturing strategy for the exercise equipment firm Life Fitness (a Brunswick company), **Mario Noble**, MBA ’04, strives for lean.

“My role is to infuse best practices from industry, such as lean manufacturing and regional manufacturing, to help transform Life Fitness into a world-class manufacturing company,” says Noble, who lives and works in Chicago. “Most of my projects focus on the future, whether it is building a lean culture or using discounted cash flow to determine the optimal manufacturing footprint for the company.”

It’s an ideal job for Noble, a fitness buff and fan of Life Fitness’ durable, ergonomically friendly machines. As a student, he worked out regularly at the U-M’s Central Campus Recreation Building. Life Fitness also owns Hammer Strength, the maker of heavy-duty training equipment used by Wolverine varsity athletes and pro teams.

Noble, who earned a bachelor’s degree in materials science and mechanical engineering from the University of California-Berkeley, was attracted to the Ross School by the Tauber Manufacturing Institute (TMI) and the school’s team-oriented approach to learning.


“Ross has a reputation of fostering an environment that encourages people to work together and learn from one another. People who attend Michigan tend to be team oriented and willing to share information. A good team can accomplish more in the long run than a high-powered individual can,” says Noble. His Ross team experiences included a 14-week TMI lean manufacturing and



Mario Noble pumps iron on a Hammer Strength Iso-lateral bench press.

change management project at General Cable in Marion, Indiana, and a seven-week Multidisciplinary Action Project working on a market entry strategy for Ardesta LLC of Ann Arbor.

“The TMI intern experience, including faculty support from business and engineering, helped me leverage the experience of experts to learn and accomplish a lot in a short amount of time.”

TMI’s Leadership Advantage Program also gives students a leg up once on the job, says Noble. For him, the most valuable session was a day-long class taught by Michael Rother, author of *Learning to See*, about lean manufacturing. “Rother taught me that implementing lean manufacturing involves a culture change as well as a process change. The lessons I learned about the importance of culture made the difference between success and failure in the projects I have worked on since.” 

What We Talk About When We Talk About

GLOBALIZATION



In 1972, President Richard Nixon became the first U.S. president to visit the People's Republic of China. When his historic visit had ended, Nixon had cracked the bamboo curtain, which had closed communist China to the West for decades.

The immediate impact was an easing of U.S.-China tensions. The long-term impacts are being felt now — an open door for American firms hoping to do business in the world's most populous market, and a massive and growing U.S. trade deficit with China. There is also considerable political fallout for U.S. elected officials who must contend with angry workers who feel they can't compete with cheap Chinese labor.

Welcome to the era of globalization.

Some people condemn globalization as one of the great evils of our age. Some praise globalization as a ticket to economic prosperity. Who's right?

One reality is that American workers are losing their jobs to China, Mexico and a lot of other places. Another reality is that U.S. unemployment is below 5 percent, more than two percentage points below the average since 1960. Yet another reality is that more and more of the world's six

billion people live in countries now open to American products and services.

"There are a lot more consumers, whether you are Microsoft selling software or the University of Michigan offering MBA degrees," says Robert Kennedy, executive director of the William Davidson Institute and professor of business administration at the Ross School. "There are also a lot more competitors."

If you roll back the clock to the 1960s, globalization as we now know it did not exist. "Back then," Kennedy explains, "what we think of as the global economy was really the U.S., Western Europe, Japan and a few tiny outposts such as Singapore. Most other countries were engaging in minimal global commerce. They were trying to do it on their own. They were the equivalent of 19th-century America. They grew their own food. They made their own candles."

"Since then," Kennedy relates, "the percentage of people living in countries open to the global economy has gone from around 22 percent in 1980 to more than 75 percent today."

To the critics, this has been a disaster. They point to the loss of millions of American industrial jobs and shuttered

"ONCE A CONSUMER HAS GOTTEN USED TO A BREAKFAST OF MUESLI FROM SWITZERLAND, APPLES FROM NEW ZEALAND AND FRENCH CHEESE, IT WOULD BE VERY DIFFICULT TO GO BACK TO THE OLD DAYS. AND THAT WAS JUST BREAKFAST."

factories. The reality, again, is more complex. "From the macroeconomic view, globalization is almost entirely positive," Kennedy says. "We get cheaper goods, we get goods faster and it keeps inflation down."

"The negative from globalization is that it imposes fairly high costs on some individuals, the people who are displaced. In the aggregate, the gains are much better than the losses. In globalization everyone gains a little bit, but a few people lose a lot."

"INGLOBALIZATION EVERYONE GAINS A LITTLE BIT, BUT A FEW PEOPLE LOSE A LOT."

Free Trade Fosters Interdependence

More to the point, globalization can't be undone. Free trade has created interlocking, interdependent economies in which countries increasingly specialize in what they do best, and leave the rest to someone else. In this economic regime, the U.S. produces some of the world's best airliners, but makes less and less of the clothes it wears. Were trade to end, the U.S. would be ill-equipped to try to clothe its people. Developing countries would be unable to build their own aircraft.

Moreover, many products are multinational composites, made up of components from two or more countries. Among them is Boeing's new 787 airliner. Its components come from the U.S., the United Kingdom, Italy, Australia and Japan. Close down trade, and the 787 assembly line would grind to a halt.

Since nations are now dependent on one another, there are powerful incentives not to capsize the boat. "India cannot be a closed economy as it was for 45 years following its independence from the British," says **Bharat Patel**, MBA '69, retired chairman and managing director of Procter & Gamble India, and currently its non-executive chairman and consultant. "Only after its slow but gradual move toward a market economy and globalization has the Indian economy started growing at over 7 percent a year. Before that, it had been growing at just 3 to 4 percent a year."

Then there is the matter of consumer preference. "Once a consumer has gotten used to a breakfast of muesli from Switzerland, apples from New Zealand and French cheese, it would be very difficult to go back to the old days," says **Krishna Ramanathan**, MBA '93, head and director of Sara Lee Apparel in India. "And that was just breakfast."

Robert Kennedy



Trade Deficits: Behind the Numbers

Still, there are statistics that make many voters wonder if free trade is a good idea. One of them is the U.S. trade deficit with China, which hit nearly \$202 billion in 2005 and is likely to grow. Once again, the absolute numbers are misleading. China, it turns out, serves as a center for final assembly for products of component parts made elsewhere in Asia.

"The reality is that China imports high-value-added parts and components from Japan, South Korea, Taiwan, Hong Kong and Singapore, then adds value in final assembly and shipping," says Kenneth G. Lieberthal, a specialist on China and the William Davidson Professor of International Business.

So it's more useful to look at all of Asia to see whether the U.S. trade shortfall with the region is growing faster than the overall trade deficit. "The Asian portion of America's global deficit is actually smaller now than it was 20 years ago," says Lieberthal. "But within Asia's portion

of America's global trade deficit, the China part has soared."

Critics also claim that America's manufacturing might is withering under Chinese competition. The reality is that America is losing jobs to China. But it's also true that America's manufacturing output has grown, not shrunk, and that the United States continues to far outpace China in total output.

"What you find is that the U.S. has increased its share of total global manufacturing in the last 15 years," Lieberthal relates. "China also has increased its share. They've gone from 2 to 6 percent of global manufacturing output. But we've gone from 22 to 24 percent. We produce the high-technology, high-value-added products. They produce the low-technology products. And



Kenneth G. Lieberthal

U.S.-China Trade at a Glance

Chart shows the rapid growth of Chinese exports to the U.S. versus the slow growth of U.S. exports to China.



Source: U.S. Census

Benchmarks in the History of Globalization

10TH CENTURY

Chinese develop gunpowder for use in fireworks.

13TH CENTURY

Marco Polo travels to China.

15TH CENTURY

Johannes Gutenberg's invention of movable type makes printing easier and cheaper, spurring an early information age.

1492 Christopher Columbus lands in the New World.

1775 The American Revolution begins.

1844 First intercity telegraph line opens.

1876 Alexander Graham Bell patents the telephone.

1891 Ellis Island opens to process immigrants arriving in the U.S.

1896 First modern Olympic games held in Athens.

1901 Radio pioneer Guglielmo Marconi sends first trans-Atlantic wireless signal.

1903 The Wright Brothers complete the first powered flight.

1913 Henry Ford introduces the moving assembly line for automobile production.

1914 Panama Canal completed, greatly shortening east-west shipping routes.

our manufacturing output is four times China's manufacturing output. So has the U.S. lost its manufacturing competitiveness? Absolutely not."

How has the U.S. become an even bigger manufacturing dynamo while shedding millions of jobs? "Our productivity has gone up dramatically in the past 15 years," Lieberthal says. "Generally, productivity improvements are good for an economy. But productivity improvements also mean you need to pay attention to a reasonable exit for those who lose their jobs because of it. So we need to continue to focus on our manufacturing excellence and at the same time take care of workers who lose their jobs."

Creating New Jobs and Wealth

The hope, of course, is that globalization also will create jobs and wealth, and lift the fortunes of nations rich and poor. In the U.S., one obvious place to look for job creation is the West Coast, where ports are handling the rising tide of imports from the East. Indeed, they have been on a hiring binge, adding thousands of dock workers to unload cargo. There is also a huge national infrastructure of office workers, warehouse workers, truckers and so on who owe their jobs to trade. And it's often forgotten that trade also consists of services as well as factory goods. Foreigners buy Disney movies. They come to America for medical treatment. They send their children to



Chris Cooper

schools such as the University of Michigan.

Globalization also creates jobs for Americans outside the U.S. as American multinational corporations set up outposts. This represents a quantum shift for many companies, which had minimal, if any, foreign presence just a few decades ago. "When I joined PricewaterhouseCoopers in the early 1980s, American companies that behaved as global companies were few and far between," says **Chris Cooper**, BBA '88, MAcc '88, Beijing-based partner in charge of mergers and acquisition for the company's China desk. "Our firm started going more global in the 1990s as our clients started to become more global."

For firms like PricewaterhouseCoopers, a global presence is not optional. "The only way to enter new markets or to protect existing markets is to be present in foreign locales. You have to be present to understand how business is done, how investments are done, how marketing and branding is done and how distribution to markets is done.

"As the U.S. becomes more of a service-based economy, globalization should be a good thing for our economy. And the financial sector has a huge role to play in the globalization process. So these are exciting times," says Cooper.

Globalization Produces Winners, Losers

The huge shifts that globalization has wrought haven't taken place without controversy. There have been anti-globalization protests in the U.S., South America and Europe. A skeptical Congress only narrowly passed the latest U.S. free-trade legislation, the Central America Free Trade Agreement. And the latest round of global trade talks in Doha, Qatar, basi-

cally collapsed. The problem: Globalization inevitably produces losers as well as winners, and the losers are beginning to exert political muscle in their home countries.

Aside from trade friction, economies are at risk from any number of disruptions, including natural disasters and wars. A global pandemic would devastate global trade because many nations would simply shut borders in an attempt to keep disease out.

If globalization were to somehow shift into reverse, it could have stiff consequences, turning the earlier winners into losers and possibly igniting inflation. "Economists would tell you that prices would go up," says Cooper. "Consumers would immediately feel the pinch if places like Wal-Mart and Target were not able to source products from foreign markets. This would create a negative wealth effect immediately. It also would be a very inefficient use of American capital to divest overseas and reinvest in the U.S."

Risks and Rewards for Firms with a Global View

As a practical matter, anything that disrupts trade cuts both ways. U.S. exports exceeded \$818 billion in 2004, and the U.S. is in fact a larger exporter to the world than China or Japan. The U.S. is second only to Germany, which had exports of more than \$912 billion in 2004. Huge numbers of American companies would suffer if the trade spigot were to close. One of them is AFB International, which supplies pet food flavorings made from chicken livers to pet food and treat makers around the world.

One market is China, says **Jacquelyn Levin**, MBA '87, the company's president and CEO. Chinese companies import AFB's American-made flavorings to make its pet treats attractive to animals. Though the

1927 Aviator Charles Lindbergh lands in Paris to complete first non-stop trans-Atlantic flight.

1939 Germany invades Poland to start World War II.

1945 United Nations founded.

1950s Television becomes a fixture in millions of homes. Rock and roll music changes American youth culture and begins to spread around the world. Also, cheap, efficient container shipping method introduced, spurring trade.

1958 The U.S. creates the Defense Advanced Research Projects Agency, or DARPA, which paves the groundwork for the Internet.

1970s Personal computer sales, led by Apple Computer's innovative low-cost PCs, begin to take off.

1972 President Nixon travels to China, opening a crack in the bamboo curtain.

1973 Oil embargo and fast-rising petroleum prices trigger economic shockwaves and illustrate the world's dependence on oil.

1989 Berlin Wall demolished as the Cold War comes to an end.

1990s The Internet comes of age.

1994 The North American Free Trade Agreement between the U.S., Canada, and Mexico takes effect.

2000 The first crew—one American, two Russians—arrives on the International Space Station.

2001 Terrorists attack the World Trade Center and the Pentagon, spurring the War on Terror.

2006 Bird flu spreads rapidly through Asia, Africa, the Middle East and Europe.

2006 Immigrants stay off the job on May Day to demonstrate their importance to the U.S. economy. **M**

Chinese raise huge numbers of chickens, they eat the chickens—lock, stock and liver. And so they generally don't make the flavorings themselves. That leaves the door open to AFB.

At the moment, China is a small market for AFB because it makes very little pet food for domestic use. Many Chinese don't have pets. Those who do tend to feed them table scraps. But China is changing. "Over the long haul, it will be a very large market for us," says Levin. "The real benefit will be when China views animals as

which gives us a competitive advantage."

Like many companies, AFB is at the mercy of an import no one wants, the bird flu. "We only get chicken livers if poultry is slaughtered," says Levin. "If people get nervous about getting avian influenza and won't eat chickens, then there won't be enough livers for us. If that were to happen, we would have to use other proteins for flavoring, such as fish. The problem is that dogs and cats like chicken, and other protein sources often aren't as cheap."

To operate in this world requires fine-tuned business skills. It also requires the ability to get along in other cultures and, sometimes, the ability to negotiate in environments that may be hostile, if not outright hazardous.

"It takes a certain personality to do this job," says **Laurence Saul**, MBA '03, vice president of Domino's Pizza International with a territory that includes Europe, the Middle East and Africa. "There have been guys from the U.S. who can't function abroad where it's

more fluid, faster and more flexible. The business model overseas won't be 100 percent different from the U.S.; it will be 15 percent different. But the differences will be dramatic."

One immediate difference is the multitude of cultures, sometimes within the same country. "Switzerland is still both French and German," he notes. "You're in the same country, but you have two distinctly different consumers with two languages."

Another difference—some markets are periodically wracked by violence. "Bombings happen in Israel," says Saul. "That's a market I go to. Domino's has more than 20 outlets there."

Religion is sometimes a factor in the workplace. "We just opened a store in the Republic of Ireland and had a party to mark the opening," Saul relates. "The Catholics sat at one table, the Protestants at another, and the manager, a native of India, sat in the middle between them."

This is the stuff of everyday life, along with a lot of jet travel and a haphazard sleep schedule. "When you're on a plane for 22 hours, it's hard to perform," says Saul, who is based in Amsterdam. "And my day does not end at six o'clock. My day ends when America turns off the lights. I'm still getting calls into the middle of the night. That's okay. That's my job."

Such is life for the foreign executive; and as time passes, more and more Americans can expect to find themselves in this role. That's where their companies' futures lie. "Around the world, Domino's has 8,000 stores," Saul notes. "About 3,500 of them are in international markets. It's where most of the growth is coming from."

"The world is global now. It's just that some organizations don't know that yet. There are still some trade barriers. But those are going to be pulled down. Everything has changed. It's really changed." **✉**

Doug Mcinnis



Jacquelyn Levin

members of the home. Then they'll go to low-end pet food and eventually to high-end pet foods. That's 15 to 20 years down the road."

And China is just one piece of AFB's profitable foreign market. "Our company likes global business because it tends to be more profitable," Levin says. A second advantage: "As we're exposed to other economies, we learn about new ingredients that might go into our flavorings,



Laurence Saul



The View from Mumbai

Bharat Patel, left, and
Krishna Ramanathan

When we read about globalization, it's usually presented from an American perspective.

But there are many others, depending on where you live. Here are two views of globalization from Ross School alumni **Bharat Patel** and **Krishna Ramanathan**, both of whom have worked for large American multinational corporations. They are based in Mumbai, India's financial and film-making center and home to 14 million people.

Bharat Patel, MBA '69, retired chairman and managing director of Procter & Gamble India, now its non-executive chairman and consultant, talks of the need for globalization and the consequences of reversing course.

"If you were to slow down globalization, it would slow economic development, particularly in emerging economies like India. India's most profitable growth sectors include IT services, pharmaceuticals and engineering goods. Most of the growth markets in those sectors are outside India.

"I believe that U.S. consumers are dependent on low-cost goods from China and low-cost technical services from India. And

the U.S. dollar is supported by funds from Japan, China, Russia, India and others, which are invested in U.S. Treasury Bonds.

"Globalization has to continue and move faster because it is the only way economic and social progress will happen in the world. But there must be much more give from the 'have' nations so that the 'have-not' nations benefit quickly. For example, protection of the agriculture sector by the developed world is hurting farmers of the developing world. In India, nearly two-thirds of the population depends on agriculture, and the worst off among them are non-land-owning agricultural laborers whose daily income is less than \$2."

Krishna Ramanathan, MBA '93, head and director of Sara Lee Apparel in India, describes India's phenomenal growth. "Many developing countries are growing rapidly and present attractive markets. For example, India currently has a GDP growth rate of 8 percent and China has been growing at 9 percent a year for the past 15 years. This translates into increasingly affluent consumers who are also brand-aware and brand-friendly thanks to global media.

"India is at a juxtaposition where it is hauling itself up by the bootstraps into the 21st century. As a result, it's possible to see fascinating contrasts. For example, India has one of the best cell phone networks in the world, and it is not uncommon to see a farmer riding a bullock-cart while using the latest cell phone.

"Mumbai, where we live, appears to have become one big construction site with numerous high-rises coming up and most roads being dug up for re-laying. This of course results in terrible traffic jams. One of the truisms about Mumbai is that you measure distance not in kilometers or miles but in the time it takes to get from point A to point B.

"Malls, restaurants and multiplexes are mushrooming all over the country. In my opinion, this is one of the most exciting and dynamic places to live at this time. After all, how often does one get to see an entire nation wake up and try to make itself over almost overnight?" ☑

Doug Mcinnis

A Tale of Two Economies

A STATISTICAL SNAPSHOT

The United States has the world's biggest economy and is a technological powerhouse. India is still heavily grounded in agriculture, which employs roughly 60 of every 100 workers. But

India is fast becoming a technology power and has an economic growth rate more than twice that of the United States. Below are a few points of comparison.



India

- Area: 3,287,590 square kilometers (slightly more than one-third the size of the U.S.)
- Population: nearly 1.1 billion (more than three times the population of the U.S.)
- Economic growth rate: 7.7 percent (2005)
- Industrial production growth rate: 8.2 percent
- Labor force: 496 million (60 percent are employed in agriculture)
- Population below poverty line: 25 percent (2002)
- Imports: India's imports include crude oil, machinery, gems, fertilizer and chemicals.
- Exports: India's exports include textiles, gems and jewelry, engineering goods and chemicals.



The U.S.

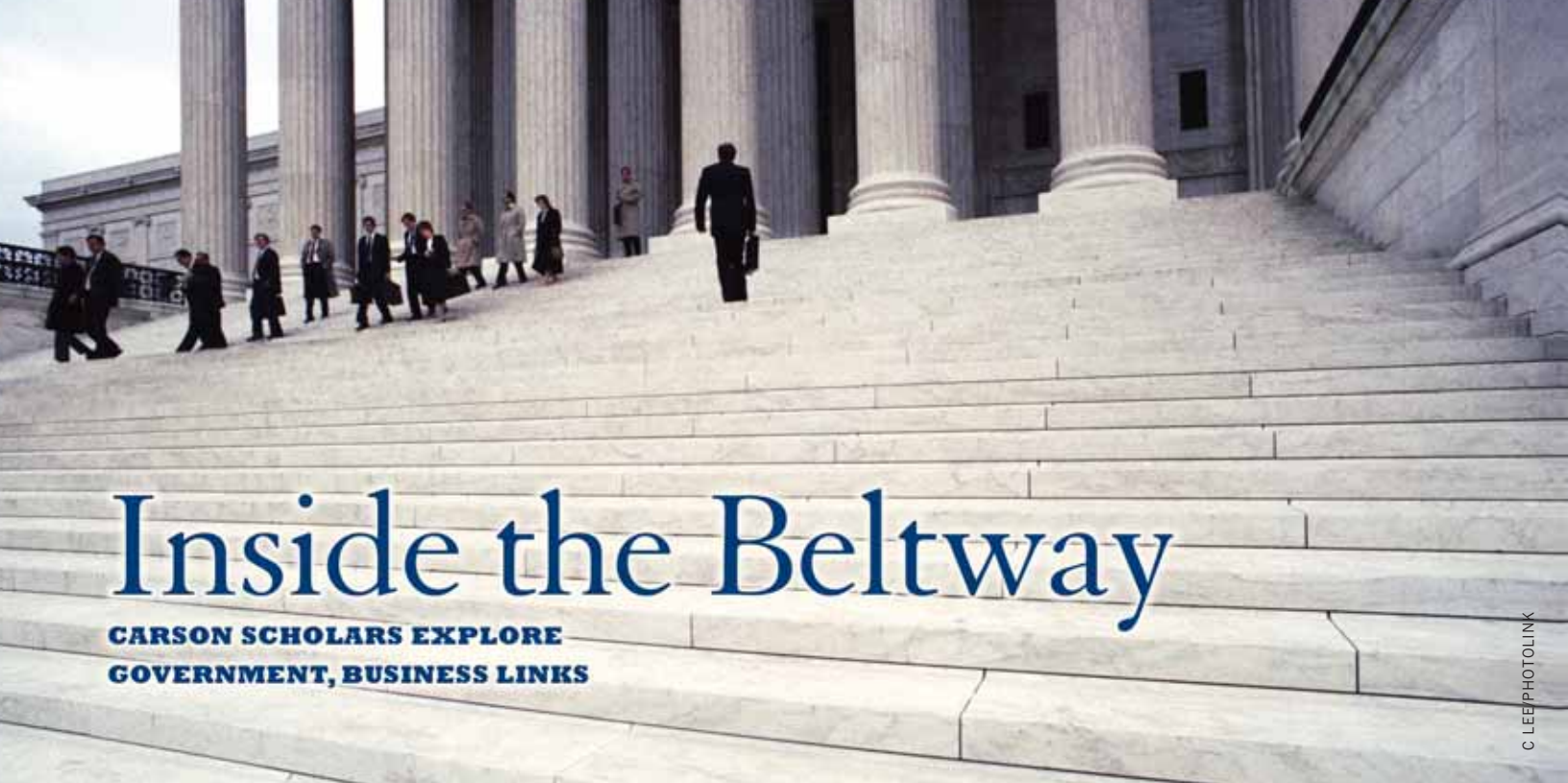
- Area: 9,631,420 square kilometers
- Population: 298 million
- Economic growth rate: 3.5 percent (2005)
- Industrial production growth rate: 3.2 percent
- Labor force: 149 million (less than 1 percent are employed in agriculture, 23 percent are employed in manufacturing, extraction industries, transportation and crafts)
- Population below poverty line: 12 percent (2004)
- Imports: U.S. imports include agricultural products, crude oil, industrial supplies, computers, telecommunications equipment, automobiles, clothing, medicine, furniture and toys.
- Exports: U.S. exports include soybeans, fruit, corn, chemicals, transistors, aircraft, computers, telecommunications equipment, automobiles and medicines. 

SOURCE: CENTRAL INTELLIGENCE AGENCY WORLD FACT BOOK

A Truly International Student Body

This chart profiles the Ross School student body by country of origin in Fall 2005.

Argentina	4
Australia	1
Bangladesh	3
Belgium	1
Bosnia and Herzegovina	3
Brazil	21
Bulgaria	3
Canada	47
Chile	1
China, People's Republic of	183
Colombia	1
Denmark	2
Egypt	1
England	4
France	9
Germany	4
Greece	2
Hong Kong	21
Hungary	1
India	319
Indonesia	7
Israel	6
Italy	7
Jamaica	3
Japan	47
Jordan	1
Korea (South), Republic of	87
Lebanon	1
Malaysia	4
Mexico	10
Mongolia	1
Netherlands	1
Nigeria	2
Pakistan	9
Peru	15
Philippines	1
Poland	5
Republic of Armenia	1
Republic of Belarus	1
Republic of Croatia	2
Republic of Georgia	1
Republic of Latvia	1
Romania	4
Russian Federation	13
Singapore	26
South Africa	1
Spain	4
Sudan	1
Switzerland	3
Taiwan, Republic of China	21
Thailand	7
Turkey	13
Ukraine	2
United Kingdom	8
United States	1841
Yugoslavia	1
(blank)	1
Grand Total	2790



C LEE/PHOTOLINK

Inside the Beltway

**CARSON SCHOLARS EXPLORE
GOVERNMENT, BUSINESS LINKS**

When Adam Percy, BBA '07, heard about an opportunity to spend a week in Washington exploring the relationship between government and business, he knew he had to jump. After all, it's not often that undergraduates get to see how abstract concepts they've studied in class — fiscal policy, regulation, banking — play out in the daily life of the nation's capital. And for Percy, whose interest in public policy almost edged out business as a major, the subject matter was compelling. So in May, fresh from finals, Percy joined four dozen other BBA students who boarded a bus early one Saturday morning for the nine-hour drive from Ann Arbor to The Washington Campus in D.C.

After a jam-packed week of classes, lectures and meetings, Percy returned with his head bursting. "To say it was absolutely

incredible would be a complete understatement," he said. "We all came away with a much better understanding of Washington as a whole, but with a thousand new questions we never would have thought of if we hadn't taken the course."

Operated by a consortium of 16 business schools, including the Ross School of Business, The Washington Campus runs intensive courses that feature speaker lineups of past and present government officials and other professionals who have spent their careers in D.C. The goal is to foster understanding of the federal government's decision-making process and its impact on business, and to encourage business leaders to participate in that process. The courses have been offered to MBA students, with whom they've proven hugely popular, since 1978. But this spring was the first time any of the

16 schools had sent a large group of undergraduates to complete the course.

Professor George J. Siedel, who serves on The Washington Campus board of directors and teaches the class there on federal courts, felt that the course could benefit undergraduates as much as MBA students. "It's just as important for undergrads to understand the public policy pro-

LEFT Jodie Fennelly, left, and Angela Bell take a break on the steps of the Supreme Court Building.

MIDDLE Professor George Siedel introduces David Carson at The Washington Campus' opening session.

RIGHT Ross School BBA students sing "Happy Birthday" to L. William Seidman, MBA '49, founder of The Washington Campus. Washington Campus staff member Courtney Madden joins in the celebration.



EILEEN COLTON





cess, especially undergrads of the caliber we have at the University of Michigan, who are very bright and sophisticated,” said Siedel, the Williamson Family Professor of Business Administration and professor of business law. “We expect these students to assume leadership roles in business.”

The idea caught the interest of alumnus **David Carson**, BBA '55, who created the Carson Scholars program, guaranteeing five years of funding for undergraduates to attend The Washington Campus.

LEFT Jeff Roth and Brandis Johnson applaud James A. Thurber, director of the Center for Congressional and Presidential Studies at The American University, following his lecture about decision making in Washington.

RIGHT Krister Holladay, chief of staff for Senator Saxby Chambliss of Georgia, talks to Ross students about the role of congressional staff.

In Carson's view, the earlier business students are exposed to the workings of Washington, the better. “The ability to be involved in public policy defines our democratic society,” said Carson, former president and CEO of People's Bank in Bridgeport, Connecticut. “Businesspeople should be aware that they ought to take a leadership role in shaping the country's policies.”

From his long career in financial services, insurance, banking and mutual funds, Carson knows firsthand how important it is for business leaders to participate in public decision making — not only on laws and regulations that affect their business interests, but also on issues such as education and the environment.

Every decade since the sixties, Carson has testified in Washington, speaking to congressional committees, regulatory agencies and elected officials on topics as

ABOVE Tim Hodes thanks David Carson for his support of the Carson Scholars program. Carson talked with students about the public policy process.

diverse as automobile insurance rates and violence in cities. Because of his practical experience, his opinions carry weight. “As opposed to being the lawyer hired to talk about it, I actually was doing it,” Carson said. “You don't have to be a paid government person. As a matter of fact, you're more effective if you're not!” In recent years his main civic cause has been funding preschool education in Connecticut. He's also chair of the Hartford Parking Authority, and his wife Sara is a justice of the peace.

Carson Scholars are selected through an application process. To receive the three credits granted for the course, in





addition to the course exam they must write a 25-page paper during the summer following their week in Washington. The paper, Siedel said, allows more in-depth study of one of the topics covered during the week, and there's no shortage of those. Each day students are in class from 8 a.m. to 6 p.m., with lectures every hour on such expansive subjects as the economic impact of the war on terrorism, the future of the U.S. economy, Social Security and the Federal Reserve System.

The speakers represented all political and professional stripes. For example, a class on presidential decision making was taught by Jack Howard, former deputy assistant for legislative affairs in the George W. Bush White House, while later that day Marc C. Ginsberg, former ambassador to Morocco and senior foreign policy coordinator for Al Gore's 2000 presidential campaign, traced the history of radical Islamic thought and weighed the diplomatic and trade policy impact of the war on terrorism.

Percy was impressed with the extent to which speakers drew on current events to illustrate their topics. Given the ever-

changing nature of Washington, he said, every class of Carson Scholars is sure to have a different experience.

However, that experience will certainly involve assumptions being challenged. Discussions on lobbying reform naturally touched on the Jack Abramoff scandal, but they also presented a nuanced view of lobbying, Percy said. "I never would have thought of lobbying being a good thing," he said. But he thought again when one speaker dropped a registry of lobbyists bigger than a phone book in front of the students and said that everyone is represented by a lobbyist, whether they know it or not. Some speakers endorsed lobbying reform while others expressed doubt that it would work: If a law passed that put a \$20 limit on meals lobbyists buy for members of Congress, savvy restaurant owners around Capitol Hill would just fill their menus with \$19.99 entrees.

"The profession of lobbying is stereotyped by people who don't understand it, and I was definitely one of those people," Percy said.

Percy's classmate **Zack Wang**, BBA '07, arrived at The Washington Campus with a

desire to better understand the legislative process and not just the end products that show up in the news. He was particularly interested in trade between the United States and China, his native country. A class on that topic was taught by Pat Mulloy, a member of the U.S.-China Economic and Security Review Commission and former assistant secretary for market access and compliance with the Department of Commerce.

Wang appreciated the wide-ranging discussion, where opinions ranged from calls for protectionist policies, to worries about China's increasing power in its trade relationship with the U.S., to shrugging acceptance of globalization as a fact of life. "It's

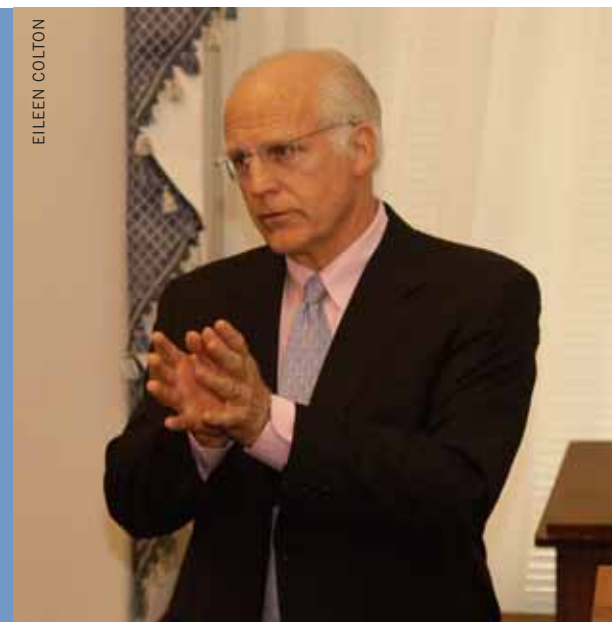
LEFT Michigan Senator Carl Levin talks with students about the economy, automobile industry and alternative fuels.

MIDDLE Connecticut Congressman Christopher Shays discusses the environment, Iraq, the federal budget deficit, stem cell research and separation of church and state.

RIGHT Students, left to right, Aerial Olaiz, Brian Chrzanowski, Kyle Zink, Dan Brachfeld and Joanna Shelden attended sessions 8 a.m. to 6 p.m. each day.



EILEEN COLTON



EILEEN COLTON



LEFT Adam Percy, Grace Pan, Christina Ratusznik and Jeff Roth on the front steps of the Supreme Court.

MIDDLE George Siedel briefs students before a presentation on the Hill.

RIGHT Grace Pan, left, and Christina Ratusznik relax at a restaurant near the House side of the Hill during a break between sessions.

very important to let people understand the whole story, to present all the facts,” said Wang. The week in Washington also left him with a new perspective on lobbying and introduced him to redistricting, which he’d never learned about before but immediately understood as fundamentally important to the legislative process.

Halley Hilboldt, BBA ’07, applied for The Washington Campus course believing that a stint in the nation’s capital would line up well with her interests in international business and ethics, as well as her career plans to go to law school and work as an attorney in the entertainment business.

“It was amazing,” Hilboldt said of the course. “The amount I learned there was unmatched. I feel so much more informed about our government, and informed in a

non-biased way. The whole week in general was unbelievable.” A major lesson she took away, she said, is that there is a lot of inefficiency in government — for example, committees are formed to investigate certain topics but then never meet. “Information like that has made me more critical and aware of things the public needs to know.”

She also gained insight on what a career in public service might entail, and although that hasn’t changed her plans to pursue legal work in the private sector, she said a friend who attended the course is now more interested in public policy as a career path. “The course allows each student to realize what in fact they really are interested in,” Hilboldt said.

With a new session coming at them every hour, as well as visits to different federal government buildings and the chance to ask questions of people who know Washington from the inside, the students realized they were getting an education no classroom could ever offer. “You just knew,” Percy concluded, “that these are the kinds of experiences that will stick with you and shape you.” **M**

Mary Jean Babic

Jones Center Enhances BBA Core Experience

When **Thomas C. Jones**, BBA ’68, MBA ’71, gave \$10 million in 2005 to the Ross School — the largest donation ever to an undergraduate business program — his goal was to transform undergraduate business education.

The Ross School used the gift to establish the Thomas C. Jones Center for BBA Education “to enhance the core experience via a set of activities that allow for the development of students in extraordinary ways” — activities above



STEVE KUZMA

Tom Jones served as the Ross School’s first BBA Program director and first executive-in-residence in 2003–2004.

and beyond the school’s existing responsibility to deliver to BBA students a quality core educational experience.

Scott A. Moore, director of the BBA Program, Arthur F. Thurnau Professor and associate professor of business information technology, says, “Tom certainly believes in the importance of an education that prepares students for their work life. The focus on student interaction with leaders in the nation’s capital and its topical emphasis on how government affects the business world make the Carson Scholars program a great match for the kind of initiative the Jones Center supports.”

The Jones Center covered the transportation and housing costs for the Carson Scholars program. **M**





ROMANIA

From Spin Cycle to Baby Formula

MAP TAKES ROSS MBA STUDENTS TO ROMANIA AND RWANDA

Whirlpool, the largest appliance manufacturer in the world, holds a special place in Ross School history. In 1995, Whirlpool sponsored the school's first international Multi-disciplinary Action Project (MAP) team.

Eleven years and 18 projects later, Whirlpool remains a stalwart supporter of MAP, a required seven-week course and cornerstone of the school's action-based curriculum. Drawing on their business and leadership skills, teams of first-year MBA students work full time with a corporate or nonprofit sponsor on complex business problems. The assignment culminates in recommendations presented in written and oral reports to the team's sponsor.

International MAP has grown steadily since Whirlpool sponsored its first overseas MAP team. Of the 87 MAP teams the Ross School fielded this spring, 44 worked on international projects. Thirty-eight percent of those projects were sponsored by U.S.-based firms, including American Express, Borders Group, Cemtura Corp., Intel, SC Johnson, Wal-Mart and Whirlpool.

"Our students want to gain international experience, and recruiters increasingly seek graduates comfortable working in the global market," says Dean Robert J. Dolan. "International MAP is a great way for our students to apply what they learn at the Ross School to actual business problems. Plus, they benefit from living and working in a different culture." Almost 60 percent of students from the United States opt for international MAP assignments. Not surprisingly, many Ross School stu-

dents from outside the United States, eager to learn firsthand about corporate America, choose U.S.-based MAP projects.

"Other schools offer internships and work experiences," notes **Andrew Garland**, MBA '07, who, along with teammates, researched the Romanian appliance market and developed a growth strategy for Whirlpool in Romania. "But to be integrated into a company like Whirlpool for seven weeks is a great concept. Unlike a consulting assignment, it is a learning process with a true deliverable," Garland adds.

A MAP project sponsored by the Clinton Foundation's HIV/AIDS Initiative provided valuable international and nonprofit experience for **Leena Ray**, BBA '02, MBA '07, who worked at American Express prior to returning to Michigan to earn a dual degree in business and education. Ray is interested in public education reform and plans to work in a larger urban school district after graduation. She and her MAP teammates traveled to Rwanda to assess that country's capabilities to produce infant formula for children whose mothers are HIV-positive.

Other MAP teams worked on business solutions for nonprofits such as Make-A-Wish Foundation, Habitat for Humanity, Rainforest Expeditions and Women for Women International.

Among MAP's collateral benefits are the stories students bring back and share with prospective employers at interviews. Read on to learn about recent MAP team work in Romania and Rwanda.

ROMANIA: Making Whirlpool #1

Whirlpool, already the top-selling brand among washing machines in Romania, has a bigger goal: Double its sales volume in household appliances and move the manufacturer to the top spot in market share in Romania by 2008.

"Basically we asked the students for recommendations for our growth strategy," explains Mioara Bolozan, Whirlpool marketing manager for household appliances in Romania. "Our first demand was that the students fully understand our market. It was important for us and for them to see with fresh eyes. We know the market but sometimes you need a change of perspective on consumers' reasons for buying and on the competition."

Whirlpool also is strong in built-ins and dishwashers, two growing categories in a market where consumers care more about value and product features than brand. To learn about brand images, sales incentives and perceptions of after-sale service for Whirlpool and its major competitors, team members **Andrew Garland**, **Todd LeBlanc**, **Siddarth Mehta** and **Rodd Santo**, all MBA '07, talked to 132 consumers, 60 sales personnel, six repair service providers and five managers of national retail chains. Their goal was to determine which product segment could yield the most in sales growth and add value across the Whirlpool brand.

"In all, we conducted more than 4,100 minutes of interviews in nine cities across Romania, surviving mainly thanks to a great team of translators," explains Santo. The team also analyzed Romania's business environment. With per capita GDP ex-

The Gorenje brand, featured here in Galati, competes with Whirlpool in Romania.





Left to right, Siddarth Mehta, Andrew Garland, translator Doris Marin, Todd LeBlanc and Rodd Santo are in front of a mural in the front lobby of Whirlpool's Bucharest office. The mural depicts the Whirlpool Goddess, a central marketing theme aimed at the target market: Strong women in charge of their environment.

pected to grow from 3,200 Euros in 2005 to 6,000 Euros by 2010, unemployment and inflation in decline and consumers expected to increase their household expenditures, the appliance market in Romania is poised for growth, the students soon discovered.

"They did a very good job on the macroeconomic analysis," says Bolozan. "We have to be honest. Macroeconomics is not something a lot of people love. They brought skills in terms of consumer research and building the questions. They also had to use all their skills in financial management."

In 1995, Whirlpool's first MAP team compared and contrasted the household appliance markets in Poland, Czech Republic, Slovakia and Hungary and recommended growth strategies. As part of that project, the team created a research tool — a stages-of-development framework used to analyze the politics, economics, infrastructure, trade channels, competitors and consumers in the four countries — that has been used by subsequent MAP teams, including this year's team in Romania.

"We took an in-depth look at the international competition and did a competitive analysis to see how each brand had positioned itself," explains Garland. Their findings: Whirlpool is an ideal brand for many customers in the area of refrigerators and freezers, washing

machines, microwaves and built-ins.

To double Whirlpool sales volume in appliances and move them to the top spot in market share in Romania by 2008, the students recommended that Whirlpool:

- Invest more in advertising. The students found that Whirlpool's share of voice in total advertising has been declining in Romania as competitors have begun to promote their products more aggressively.
- Add ranges — also called freestanding cookers — to its product line. Free-standing cookers represent 20 percent of Romania's appliance market. Whirlpool already is strong in cooker hoods and built-ins. Adding ranges to their product line would give loyal customers an opportunity to buy another Whirlpool appliance, notes LeBlanc.
- Introduce a value brand in Romania that could compete at the low end of the market without diluting Whirlpool's high-quality reputation.

Bolozan was impressed with the students' efficiency and thoroughness. "I enjoyed their pragmatic approach to their work," says the marketing manager. "They brought a holistic view and helped us focus. As a marketing manager, I have raised some of the issues before. It is probably better if some of these ideas come from someone outside who

is not asking for resources and who is not emotionally involved."

The team brought varied viewpoints to the marketing assignment: Garland had managed an emergency food relief program in Africa and taught in a charter school, Mehta had led business development for a publishing services firm for 29 states, Santo had worked as an architect and LeBlanc had served as a project manager at the HR consulting firm Towers Perrin. Faculty advisers Andrew Lawlor and Paula Caproni also were available by e-mail all hours of the day, LeBlanc adds.

For Santo, Garland and LeBlanc, who came to the Ross School largely because of MAP, the Whirlpool experience provided an unusual opportunity to structure a complex project from the beginning, define it along the way and carry it to completion. "I had never done anything like this before," says Santo.

Living and working in Romania also clarified any misconceptions the students may have had about the country. "The tour books underestimate Romania as a tourist destination," says Garland. "It really is beautiful, with cobblestone streets and an Old World feel."

Mehta looks forward to returning to Romania in five to 10 years. "I want to see how things have changed."



Todd LeBlanc withdraws cash from a Bucharest bank.

RWANDA: Can Infant Formula Be Produced Closer to Home?

Rwanda, home to the mountain gorillas that roam the misty bamboo forests of the Virguna Mountains, is a land of contrast — breathtaking beauty and humanitarian struggles.

This spring a team of first-year Ross School MBA students saw the endangered gorillas known for their massive size and gentle dispositions in the apes' natural habitat. At the same time, the students were learning firsthand about Rwanda's culture, history and economy; the devastating impact of the human immunodeficiency virus (HIV), with which approximately 3 percent of Rwanda's 8.6 million people are infected; and the international infant formula business.

The Ross students worked as business consultants to Rwandan government and healthcare organizations on a project that aimed to reduce mother-to-child HIV transmission and stimulate entrepreneurship and manufacturing in Rwanda. The assignment: Assess the country's capabilities to produce infant formula, which for children whose mothers are HIV-positive is safer than breast milk. The project was sponsored by the Clinton Foundation's HIV/AIDS Initiative. Robert Kennedy and Ted London served as faculty advisers. Kennedy is executive director of the William Davidson Institute (WDI) and



Left to right, Leena Ray and Amisha Parekh speak with Corrie White of the Clinton Foundation and Sara Stulac of Partners in Health (PIH) at Rwinkwavu Hospital. PIH distributes infant formula and trains mothers how to use it properly.



Cow's milk is an ingredient in infant formula, so the Clinton Foundation MAP team researched how much was available in Rwanda. In this photograph, a young man shows how milk is delivered from farms to dairy collection centers.

London is a senior research fellow and director of WDI's Base of the Pyramid Initiative.

MAP team members **Mark Bailey, Amisha Parekh, Leena Ray and Mathieu Van Assche**, all MBA '07, worked closely with Rwandan government officials; international nongovernmental organizations (NGOs), including Partners in Health, the Food and Technical Assistance Project and UNICEF; and local healthcare providers. The students also met with business executives, including representatives from Sorwatom, Inyange and Sulfo Rwanda Industries.

For a variety of health-related reasons, doctors generally recommend that mothers in the developing world breast-feed their children. The primary exception to this rule occurs with mothers who are HIV-positive because HIV can be transmitted from mother to child through breast-feeding. Some NGOs provide HIV-positive mothers with infant formula as a substitute for breast milk to feed their children. "Rwanda has no domestic producers of infant formula, so the NGOs must import the formula from multinational corporations like Nestlé," explains Ray.

Working with a team of teaching assistants from Rwanda's Kigali Institute of Science and Technology, the Ross team researched consumer needs, including interviewing 30 mothers; assessed local sourcing, production, packaging and distribution capabilities; and analyzed the finan-

cial feasibility of producing infant formula in Rwanda. The students found that the production of infant formula for the health market in Rwanda would be feasible if certain business conditions were met.

The MAP students concluded that building a formula plant would improve Rwanda's infant mortality rate and could boost the country's campaign to secure foreign investment and promote new business development.

"Our partners in Rwanda were extremely generous with their time and expertise," notes MAP team member Bailey, who has worked with nonprofits before and plans to go into foundation work. "We met with high-ranking people in the Department of Agriculture and the National Aids Commission, as well as NGO and business executives. Part of the value of our project was bringing all these parties together so they could gain a fuller understanding of

Left to right, Amisha Parekh, Mark Bailey, Leena Ray and Mathieu Van Assche flew into Kigali International Airport. Their MAP assignment: Assess Rwanda's capabilities to produce infant formula.





The trip to Rwanda provided Leena Ray and other members of the Clinton Foundation MAP team the opportunity to hobnob with mountain gorillas.

challenges and opportunities. They discovered they could learn from each other.”


Because Rwanda’s resources are limited and it must import a fair amount of raw materials, technology and talent, “we had to think creatively and not get too discouraged,” explains Parekh, who also is earning a master of science degree through the Frederick A. and Barbara M. Erb Institute for Global Sustainable Enterprise, a joint program of the Ross School and the U-M School of Natural

Resources and Environment.

In addition to their project-related work, students explored their host country. Weekend trips to several national parks allowed the students to take in Rwanda’s natural beauty. On a more somber note, they also learned about Rwanda’s recent history through visits to several sites commemorating the 1994 genocide in which an estimated one million people were killed.

The Rwanda MAP project was proposed by **Polly Ruettgers**, MBA ’06, who as a former staff member for the Clinton Foundation negotiated with pharmaceutical companies for lower-priced drugs in Africa.

“When Polly arrived at the Ross School as an MBA student, she had so many ideas I couldn’t keep up with them all,” recalls Andrew Lawlor, a faculty member long involved with international action-based learning programs. “One of them was for an infant formula plant in Rwanda. ‘Could such plants operate successfully near customers and could they be scalable in other African countries, Brazil, India and Romania?’” he recalls. Ruettgers’ contributions were recognized in April when she received the Ross School’s Entrepreneurial Leadership Award.

“The fact that Polly proposed our project and worked with us takes action-based learning to another level,” says Ray. “Our project was really entrepreneurial in scope. I’ll never forget the experience. It was so motivating.” 

Mary Jo Frank


Ross School Accepting MAP Proposals for 2007

Corporate and nonprofit organizations benefit in at least two ways when they sponsor Multidisciplinary Action Projects, says MAP Managing Director Gale L. Amyx. Sponsors receive actionable recommendations on current business issues they are facing and experience firsthand what Ross School MBA students can accomplish in a short period of time, and all at minimal cost to the organization.

Sponsorship costs vary, depending on team size, location of the project, amount of travel required for gathering data and time spent on-site. Teams are comprised of four to six students. Because MAP is an academic program, students do not receive monetary compensation. Sponsors cover expenses such as housing, meals and transportation when teams are on-site. Sponsor costs average \$12,000 for domestic projects and \$20,000 for international ones.

About half the domestic MAP projects are proposed by Ross School alumni, many of whom serve as the sponsor’s liaison, working directly with the MAP team to support its needs for a successful project outcome.

The competitive process of selecting MAP team assignments for 2007 begins this fall. Prospective sponsors propose projects, which are evaluated by the MAP Advisory Team for rigor and fit. Although the application deadline is November 30, preference is given to applications received earlier, Amyx explains.

Students bid on projects in early January and receive their MAP assignments later in the month. To learn more about sponsoring a MAP team, visit www.bus.umich.edu/MAP or call Amyx at 734.763.2463. 

First-year MBA students learn about projects at MAP kick-off.



Clinton Foundation Manager Beth Collins, Robert Kennedy and Polly Ruettgers, MBA ’06, a former Clinton Foundation staff member, met to discuss the infant formula MAP assignment before the students arrived in Rwanda.





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BUILD FUTURE BUSINESS LEADERS





Early Women MBA Students Ushered in a New Era

There were 19 of them. Rich and poor, most came from Michigan and most were in sororities. Many loved math. A high comfort level with numbers might be the most telling trait shared by the women who defied the prejudices of their time to graduate with MBA degrees in the 10 years following the creation of what is now the Stephen M. Ross School of Business.

They lived in a world where most women didn't work outside the home. In the 1920s, only 21.5 percent of women

TOP Dorothy Hagen Simpson, center, a member of the Business Administration Club.

BELOW Tappan Hall became the home of the new Business School in 1924 (photo 1930).



over 16 were in the labor force compared to 60 percent in 2000. The difference lies in the virtual absence of married women workers in the early years of the last century. In 1900, 44 percent of single women worked, but only 6 percent of married women did.

But change was in the air. In 1920, women won the right to vote and a social revolution in women's dress and manners had taken hold. Many sheared their long hair, cropped their long skirts, dispensed with whalebone, smoked in public and began breaking the law — specifically the prohibition against liquor, which was enacted in 1919.

All 19 students began college when the economy was booming. A fascination with business, the stock market and innovative new industries like automobile manufacturing swept through the country's Main Streets and caused Babbitts everywhere to dream of fantastic wealth. But by the time they graduated or began seeking jobs, the world had become bleak. The 1929 crash and ensuing Great Depression closed plants and drove men from the workplace to the breadlines.

The obstacles that confronted women workers were mirrored in the business school. Women made up only 5.6 percent of those earning MBAs between 1926 and 1935: 19 women, in contrast to 317 men. In 1930-31, in the middle of that decade, only 28 percent of all U-M students were women.

Two women business students held class offices; none was an officer in the Business

Administration Club. They lived where they could, in a dorm, a sorority, with the family of a professor or in one of many private residences called League houses, where women lived under University supervision. The men, on the other hand, formed two business fraternities, and the dean dreamed of a dorm "to cultivate [men's] esprit de corps by living together." Segregation between the sexes extended to alumni clubs, smokers and other social events — even the want ads.

Responding to a survey about women's careers published by *Dividend* in 1970, **Helen Cornelia Sandford**, MBA '28, wrote, "Discrimination in my case began with the University of Michigan itself. When I was about to graduate with the MBA degree, I was advised to return to teaching, even though my adviser said that as far as IQ was concerned, I was second in the class." Sandford, the daughter of Benjamin and Sarah of Northville, New York, went on to become an investment accountant at Stanford University and then secretary-treasurer of an investment bond company. She died in San Mateo in 1995.

Ailene Mae Yeo Bardsley, MBA '33, however, remembered that women were "very welcome. Everyone was scared of [William] Paton," who taught accounting, she said, "but he was a won-



Ailene Mae Yeo Bardsley

derful professor and very tolerant of us gals, there were so few of us.”

Bardsley, who at 98 still lives in Anderson, Indiana, her home since the early 1940s, doesn't remember Margaret Elliott Tracy, the one woman faculty member at the school from its founding. Tracy researched why women were clustered in social service and education jobs rather than higher-paying business professions.

Students dressed up for class and, like many, Bardsley wore a fur coat but resisted the lure of bobbed hair. She instead spent “hours” under the dryer at the hairdressers. Prohibition didn't touch her life since she didn't drink or socialize with those who bootlegged liquor. Few students had cars. She, like the others, walked or rode the streetcars. The one exception was traveling to the formal dances at the Michigan Union because floor-length gowns required taxis.

Every such formal event began with a procession led by the man who had chaired the event and his date. Bardsley twice led such processions. Women received special dispensations from rules for big events like the J-Hop. Otherwise, they had to be in their rooms by 11 p.m. during the week and 1 a.m. on the weekend. “Our housemother would sit up until everyone was in,” Bardsley recalls.

The only child of Alice and William, a Canadian who practiced law, Bardsley grew up in West Branch, Michigan. She earned a BA degree and teaching certificate in 1930 and taught a year in Royal Oak before deciding, partly because she loved math, to return for an MBA, majoring in banking and merchandising. Her first job was with Himmelhoch's in Detroit as a buyer in the better dress department — “any dress over \$29,” she explains. She organized a fashion show fundraiser for the Michigan League using professional models and U-M students.

After working for the retailer for five years, she and her friend **Mary Parnall**, MBA '31, who worked for Sanders ice cream company in Detroit, obtained leaves of absence to travel around the world. Sailing from Oregon, they spent six months visiting Hawaii, China, Australia, India and Europe.

Parnall was born into a family of adventurers. Both her father, Samuel, and

her grandfather were mining engineers in Michigan's Houghton County. Samuel, along with his wife Lauriette and their four children, moved West, living at various times in Colorado, California and the Arizona Territory, where Parnall was born.

Parnall came from California to Michigan for her BA, perhaps because of the presence of family. Her uncle, Christopher Parnall, had been medical superintendent and director of the University Hospital and his sons attended the U-M. She was active in the Michigan League. Bardsley remembers Parnall as “a super gal, with a brilliant mind.” Parnall graduated with high distinction. Soon after Parnall joined the Sanders company, Bardsley recalls, she “practically ran it, moving up very fast to become general manager.”

After their trip abroad, Parnall resumed her job at Sanders, but Himmelhoch's had hired a replacement for Bardsley. Unfazed, she moved to New York, where she became a buyer for Lord & Taylor. There, a friendship with a man who had lived in the same apartment building in Detroit blossomed into a romance, and in 1940 she married P. Edward Bardsley. The war took them to Anderson, Indiana, where the General Motors Delco-Remy plant produced war materiel. She didn't work outside the home — “I didn't have to,” she recalls. Bardsley was active in the community while raising her two children. When they were grown, she traveled for her sorority, helping establish new chapters. Every summer Parnall spent a week with Bardsley and her family in Northern Michigan. Parnall died in Whittier, California, in 1995.

The program that Sandford, Bardsley, Parnall and the 16 other women embarked on consisted of three years of work in the liberal arts and two years in the business school. A BA degree was awarded after the first three years, and an MBA after the last two years. In the first year they could study production, personnel, marketing, business statistics, accounting and finance. In the second, they studied accounting, marketing, investments, banking, sales administration, advertising and real estate management. Courses in business policy and a thesis were required. In 1929, the number of years in liberal arts was reduced to two and the years in the business school increased to three.

With a curriculum in place, a faculty drawn mostly from Harvard and Michigan, and Edmund E. Day as dean, the first students were welcomed to Tappan Hall

in September 1924. The quarters were “admittedly makeshift,” old and inconvenient, according to acting dean C. E. Griffin. Bardsley remembers walking up the stairs of “that old red building” and turning left into a classroom. A reading room and library took up a large part of the second floor.

Here, *Dividend* looks at the lives of other early women business graduates.

The Ross School's First Woman

The freedoms women had won in the United States appealed to **Sih Eu-yang Chen**, MBA '26, when she came from China. She, in turn, expanded those freedoms as Michigan's first woman MBA. Chen kept a scrapbook of her time in the state of Michigan and wrote of a month spent at a camp in Port Huron: “This is the life I can never get in China.” Her father had been open-minded and encouraged her education, according to her daughter Lillian Yeu. At age 25, after teaching algebra and English in girls' middle schools, Chen graduated from the Commercial College of Southeastern University in Shanghai in 1924.

Chen came to Ann Arbor as the 52nd recipient of a Barbour scholarship for Asian women, one of 10 that year. She received a stipend of \$800. It was not easy for Asians on campus at that time. Sixteen of the 24 League houses in a 1925 survey refused to accept Asian residents. The University often sought American women who were members of international clubs such as the Cosmopolitan or World Fellowship/YWCA to share houses with Asian students.

Chen lived in Helen Newberry residence hall, joined the Chinese Students' Club and was the sole woman in the Business Administration Club. She received a “favorable” academic evaluation from Dean Day and, when she graduated on June 14, 1926, she wrote: “I consider it a very important day, for I am the only girl getting [an] MBA from the Business School of the University of Michigan.”

Chen explored the country and returned to Ann Arbor for a semester's study, sailing home in February 1927. There she met Chungshen S. Chen, who had earned a PhD from Columbia and worked at a bank. They married in 1928. She worked



Mary Parnall



Sih Eu-yang Chen

before and after marriage, as an accountant and eventually, after four babies came, as a professor in the Commercial Department at Shanghai College.

The family fled Shanghai after Japan invaded, and her fifth daughter was born in Chunking. By 1946, they had returned to Shanghai and she became chief accountant at the New Asia Development Corp. In 1949, the family made its way to Hong Kong, where Chen taught English and her husband worked as a financial adviser.

They sought scholarships for their daughters in American schools, and all of them became professionals in public health, math or education. In 1959, the Chens were sponsored by a church in San Francisco. Arriving as refugees, they settled in Berkeley, where Chen attended adult education classes. Both her daughter and son-in-law Joseph Pummill describe Chen as curious, outgoing and creative, with many friends — traits that helped her adapt in her tumultuous life. She died in 1981; her husband died a year later.

Pursuing Careers in Business and Education

Professional degrees opened doors to careers in business and education for **Evelyn Kingsbury Burke**, MBA '28, **Elizabeth Charlotte Black Ross**, MBA '29, **Alice M. Plough Lemen**, MBA '30, **Johanna Mathilda Wiese**, MBA '33, **Dorothy Margaret Hagen Simpson**, MBA '28, **F. (Freida) Elizabeth Forman Laurenson**, MBA '34, and **Eleanor Louise Delo Paddock**, MBA '31.

Today, the name of Evelyn Kingsbury Burke lives on in a Ross School scholarship that bears her name. When she died in 1992, Burke bequeathed \$158,000 to the business school. But her situation was grim in 1937, when she returned to Ann Arbor from Chicago after a brief marriage to A. G. Rueckert and took a job as a

factory worker. In 1941, at age 36, she began working at Edwards Brothers printing company and rose from office work to become the elected secretary-treasurer of the firm in 1949, a post she held until her 1970 retirement.

Her parents, Orrin and May, worked as bookkeepers in a bank in Sparta, Michigan. After her husband's death, May brought Burke to Ann Arbor to



Evelyn Kingsbury Burke

attend the University and worked as a housemother, bookkeeper and dispensing assistant in the chemistry store while her daughter attended school.

Ann Edwards, the wife of Joseph, the former president of Edwards Brothers, said that Burke gave the credit to the school for her training and to J. William Edwards, Joe's father, for hiring her. Burke also had a role model in her mother who worked after marriage and motherhood. "May was outgoing and sharp, very social," said Ann Edwards, "and Evelyn was chatty and personable, but circumspect — she never gossiped or criticized." The two women opened their Olivia Street house at U-M reunion time, and in 1948 a fellow business graduate reported that alumni gathered and "sang at the Burke residence."

Elizabeth Ross also had a working mother as a role model. Ross' father, Maurice, settled in Detroit and established the L. Black Co., a jewelry business. He died in 1921, when Ross, the oldest of three, was 14. His widow, also named Elizabeth, managed the company, expanding it to include optical goods.



Elizabeth Charlotte Black Ross

Ross was a horse-woman and joined Pegasus, a riding club. As an undergraduate, she was elected a lower-class officer. After earning her MBA at the age of 22, she returned to Detroit, married John Ross and had two daughters. When she died in Grosse Pointe in 1992, she still owned the business her parents had left her.

Another businesswoman, Alice M. Plough Lemen, daughter of Washington State fruit growers Walter and Bessie Plough, came to Michigan in the late 1920s after graduating Phi Beta Kappa from Washington State College. The business school hired her as an associate in the Bureau of Business Research at a half-time salary of \$500.



Alice M. Plough Lemen

Only two years after graduating with distinction, Lemen became secretary-treasurer at Edwards Brothers. She married Alfred Lemen of Dexter,

Michigan, in 1937, and unlike many of her women classmates, she continued to work. She stayed at Edwards Brothers until 1940, when she moved to University Litho-printing Co. in Ypsilanti. On a Saturday night in January 1946, at age 38, she fell down the basement stairs at home and died the next day of a brain hemorrhage.

Johanna Wiese didn't stop with an MBA, but became a certified librarian in 1935 at age 24. The sixth of seven children born to Mathilda and Charles, a machine operator from West Prussia, Wiese was a woman of wide-ranging interests at Ann Arbor High School. She participated in student government and literary, athletic and dramatic clubs, and was elected class tomboy.



Johanna Mathilda Wiese

Wiese worked at the Willow Run bomber plant during World War II, as director of school libraries in Chelsea, Michigan, assistant to the U-M Dean of Nursing and at Social Security. Her leisure activities included church, women's clubs, and historical and philanthropic groups. A loyal alumnus and lifelong Ann Arbor resident, she attended many business school reunions. She died in 1996 at age 84.



Dorothy Margaret Hagen Simpson

Dorothy Simpson taught in Detroit during the school year, but she spent her summers traveling the world. In the summer of 1929, she lived at the northern tip of the Labrador Peninsula, only a few hundred miles below the Arctic Circle, working with the International Grenfell Association to complete aerial mapping of the coast. The previous summer, the first after obtaining her MBA in 1928 at 21, she had toured Europe, and she spent the following summer seeing South America. Simpson's father, Marcus, born in Norway, was a physician in Detroit. Her mother, Thiel, moved to Ann Arbor with her two children while they were in school. Simpson married George Lester Simpson, and died in Oceanside, California, in 1986.

Teacher Eleanor Louise Delo Paddock described directing 350 volunteers work-



Eleanor Louise
Delo Paddock

ing with underachieving elementary school children “as the most interesting and rewarding work since I left the University of Michigan” when she responded to a 1969 *Dividend* alumni questionnaire.

Like several of the early women graduates, Paddock was an only child and grew up in comfort with her parents Roy, a banker in Elmira, New York, and Lily, who was born in England. Immediately after earning her degree, she taught commercial subjects at Dickinson Seminary in Williamsport, Pennsylvania. She then taught in her native Elmira, New York, until she married Byron Paddock and had a son in 1945. Paddock died in Horseheads, near Elmira, in 1996.

Elizabeth Laurenson taught math to inner-city children almost all of her adult life and wasn't about to let mandatory retirement at age 65 stop her. “She was spirited and ran for school board in Oakland, California,” according to daughter Betsy White. She served two terms, one as president, before being felled by a stroke. “She worked tirelessly to improve education,” White recalls.



Elizabeth Forman
Laurenson

When she was growing up, Laurenson's family didn't have much money; her son Mark says, “They didn't starve, but she had to work for everything she had.” Her parents Robert Clyde and Myra owned an eatery in Newaygo, Michigan. Laurenson was the oldest of the five children and worked her way through Western Michigan University at her boarding house and as a Western Union operator.

She earned her MBA at age 25 and married William Laurenson, who graduated with a BS degree in naval architecture and marine engineering. His work took them to Virginia and California, where he worked on Liberty ships, and she briefly taught. After William died in 1950, Laurenson moved with her four children to California and resumed teaching. She died in 1991.

Building Families and Communities

Some of the early women graduates worked outside the home until they married and had families. Among them were sisters **Bessie Valborg Egeland Johnson**, MBA '31, and **Edith Valborg (Val) Egeland Emde**, MBA '32, who grew up in Bisbee, North Dakota.

The girls' father, Axel, came from Norway, and settled in Bisbee, where he established himself as a banker and met his future wife, Ida, when she was visiting from Chatham, Ontario. He died when Johnson was 15 and her sister was 14. Ida, a teacher, moved them back to Chatham. In September 1926, she rented a house for the three of them for her daughters' freshman year at U-M.

Johnson served on the board of the Michigan League in 1929, the year it was completed after a sustained, impassioned fundraising effort by Michigan women. The sisters lived in a League house after their mother returned to Chatham. Johnson spent the summer of 1928 as the *Michigan Daily's* circulation manager; Emde also joined the *Daily* staff, but on the editorial side.

As juniors, the sisters moved into Martha Cook residence hall. It was such a happy time, recalls Johnson's daughter Deborah Reddick, that when her mother spoke of being at the U-M, she would talk of “when we lived in Martha Cook.”

As an upperclassman, Johnson was inducted into Wyvern (a junior honor society), a national honorary journalism sorority and the Senior Society for independent (non-sorority) women. Classmates elected her vice president of her LSA class.

Throughout her years in Ann Arbor, Johnson was in love with Godfred Johnson, whom she had known in Bisbee. In 1933, at 25, two years after earning her MBA, they married at the Michigan League.

Johnson worked briefly at Hudson's department store in Detroit before she and Godfred, a banker, settled in Petoskey, Michigan. The mother of three was active in her church and community. Johnson told her daughter that she felt her own degree was useless and was



Bessie Valborg
Egeland Johnson

pleased when Reddick became a nurse. Johnson was very shy, her daughter said, seldom traveled and didn't entertain a lot, but she was a formidable Scrabble player — in Latin. She died in 1979.

Val Emde shared all of her sister Bessie's honors, was elected to Phi Beta Kappa and graduated at the head of her business school class. She was the first woman at U-M to be inducted into Beta Gamma Sigma, the national honorary business society.

Emde joined the Cosmopolitan Club, made up of American and foreign students, and the World Fellowship Committee of the YWCA, which she chaired as a senior. Her work on the *Daily* earned her a publications scholarship for poetry in 1930. The business school hired her for \$1,600 to work in the Bureau of Research for a year between earning her BA at 20 and her MBA. She stayed on at the Bureau of Research after receiving her MBA, living with her sister. The two had little money. Reddick tells of a time the sisters dined on a single egg. She married Ludwig Emde, who graduated from U-M in 1930 with an engineering degree and became president of a company that made water coolers and refrigerator parts. The couple stayed in Ann Arbor, where she continued to work until 1937. Her son, **Robert C. Emde**, BBA '60, MBA '61, was born in 1938, and the family moved to Birmingham, Michigan. She died there in 1987.

Throughout the 1990s, Robert Emde was lead accountant for Ernst & Young on the U-M account, reporting annually to the Regents. When **Christopher R. Emde**, now vice president of sales with Entertainment Sports Partners in Bloomfield Hills, earned an MBA in 1997, he became the family's third-generation Ross MBA.

To read about more early women graduates, visit www.bus.umich.edu/NewsRoom/WomenPioneers.

Linda Robinson Walker

Editor's Note: We thank the Ross alumni, relatives of alumni, staff of the Bentley Historical Library and the Michiganansian Yearbook who contributed to this article and provided photographs.



Edith Valborg (Val)
Egeland Emde

ALUMNI ACTIVITIES



Baltimore

The Ross School Alumni Clubs of Baltimore and D.C. hosted their annual holiday party at the home of **Adam Borden**, MBA '05, and his wife Meredith in Baltimore on December 11. Approximately 25 alumni and their families, including four members of the Class of 2005, attended the festivities. Contact Adam Borden at aborden@umich.edu for more information about the Baltimore club.

BALTIMORE—Among those who attended the annual holiday party were, left to right, front row: **Susan Benkowski**, MBA '01, **Linda Murphy**, BS '81, MBA '85, **Julie Granof**, MBA '05, MPP '05, **Diviya Sharma**, MBA '05, and **Rachel Zimmerman**, MBA '00; back row, Noah Cowan, MSE '97, PhD (Engineering) '01, **Ed Watts**, MBA '03, **Adam Borden**, MBA '05, **Steve Silberg**, MBA '72, and **Jonathan Nellis**, MBA '05.



BRUSSELS—When **Bobby Wehmeyer**, left, and **Amish Thakker**, right, both MBA '07, were working in Belgium this spring on their Multidisciplinary Action Project sponsored by OrthoMediTec, they used the opportunity to touch base with Ross alumni there, including **Christophe Soulier**, MBA '02, finance director at Johnson & Johnson, who took the MAP team members to lunch.

Germany

The Ross School Alumni Club of Germany met on May 21 in Frankfurt. **Andreas Kirschkamp**, EX '00, welcomed the group. The program included discussions about the importance of TV soccer rights in a converging media world and the distressed debt market as a driver of economic growth in Germany. Professor Emeritus Gunter Dufey also shared news about the Ross School. The day concluded with a visit to the exhibition *Max Beckmann, The Watercolors and the Pastels*. For more information on club activities, contact Kirschkamp at andreask@umich.edu.



CHICAGO—Among those who attended Chicago's Annual Spring Business Conference were, left to right, **Evan Gallinson**, BBA '97, **Yehuda Cohen**, MBA '83, **Harriett Robinson**, MBA '80, and **Jeffrey Spahn**, BBA '75.

Chicago

The theme of the Chicago Alumni Club's Annual Spring Business Conference on April 6 was "Private Equity Perspectives — Michigan Alumni in Private Equity and Entrepreneurship." David Brophy, associate professor of finance and conference keynote speaker, talked about emerging trends in private equity. A panel of Ross alumni also provided their perspectives on trends and how private equity firms work and interact with entrepreneurs. Panelists included **William Hall**, MBA '67 and PhD '69, chairman and CEO of Procyon Technologies Inc. and adjunct professor of strategy; **Dan Hennessy**, MBA '81, founder and partner of Code Hennessy & Simmons LLC; **Keith Yamada**, BBA '90, partner of CIVC Partners; and **Jon Leiman**, BBA '94, an associate at American Capital. Contact **Yehuda Cohen**, MBA '83, at yccohen@umich.edu for more information about the Chicago club.

CHICAGO—David Brophy, associate professor of finance, center, talks with Ross School alumni at the Chicago club's Annual Spring Business Conference held at the Sears Tower Conference Center.



GERMANY—Professor Emeritus Gunter Dufey, left, front row, met with Ross Club of Germany members and friends **Michael Wolff**, MBA '92; back row, **Tabi Bude**, EX '00, Martin Arnold, **Frederic Fayolle**, MBA '98, **Alexander Winkelmann**, EX '00, **Florian Muller**, EX '00, **Radboud Vaessen**, MBA '01, **Andreas Kirschkamp**, EX '00, and Roman Martens.



ALUMNI ACTIVITIES

New York

Dean Robert J. Dolan and **Stephen M. Ross**, BBA '62, met with more than 350 Ross School alumni who gathered at the Waldorf Astoria Hotel in New York City on October 25 to socialize and view plans for the new building. In April, members of the New York Alumni Club attended an evening program with Iraqi Ambassador to the United Nations Feisal Amin al-Istrabadi, who talked about the role of the U.S. business community in reconstructing Iraq. Contact **Cecil Shepherd**, MBA '00, at cashephe@umich.edu for more information about the New York club.



NEW YORK—Left to right, **Stephen M. Ross**, BBA '62, Dean Robert J. Dolan and **Cecil Shepherd**, MBA '00, at the Waldorf Astoria Hotel.



NEW YORK—Members of the New York Alumni Club hosted a BBA happy hour on January 12. Among those who attended were left to right, front row, **Cecil Shepherd**, MBA '00, and **Emily Kramer**, BBA '04; middle row, **Scott Buchbinder**, **Pamela Baskies**, **Leaat Dulberg**, **Grace Song** and **Allison Stebbbins**, all BBA '04; back row, **Justin Surma**, BBA '04, and **Vincenzo Villamena**, BBA '04 and MAcc '05.



NEW YORK—The Ross School of Business Alumni Club of New York board meets quarterly to plan club activities. The board includes, left to right, front row, **Bob Crespi**, MBA '99, and **Emily Kramer**, BBA '04; back row, **Winston Ma**, MBA '03, **Cecil Shepherd**, MBA '00, **David O'Dell**, MBA '04, **Candace TenBrink**, MBA '97, and **Timothy Garrabrant**, MBA '85.



SAN FRANCISCO—The Ross School is well represented on the University of Michigan's Bay Area Softball Team. Team members include, left to right, front row, **Scott Sappenfield**, MBA '03, and Kevin Hamilton; middle row, **Jon Munzel**, MBA '00, **Katie Martin**, **Cara Schwartz**, MBA '02, **Jamie Harding**, **Jeremy Cotton** and **Jennifer Lazar**, BBA '05; back row, **Mike Wolfe**, MBA '05, and **Juan Pablo Bedoya**, MBA '05. Contact **Adam Carson**, MBA '03, at wcarson@umich.edu for more information about the Ross School of Business Alumni Club of San Francisco.

ATLANTA AUSTIN AUSTRIA BEIJING BOSTON BUENOS AIRES CENTRAL AMERICA CHICAGO CINCINNATI CLEVELAND COSTA RICA
DALLAS DENVER DETROIT DUBAI EASTERN EUROPE FORT WAYNE FRANKFURT GRAND RAPIDS GREECE HARTFORD HONG KONG
HOUSTON INDIANAPOLIS IOWA ISRAEL IVORY COAST JAPAN KANSAS CITY LONDON LOS ANGELES LOUISVILLE MADRID MEXICO CITY
MIAMI / FORT LAUDERDALE MILWAUKEE MINNESOTA MUMBAI NEW DELHI NEW YORK NORFOLK NORTH CAROLINA NORWAY OREGON
PARIS PERU PHILADELPHIA PUERTO RICO ROME SAN DIEGO SAN FRANCISCO SANTIAGO SÃO PAULO SEATTLE SHANGHAI SINGAPORE
SOUTH KOREA ST. LOUIS SYDNEY TAIWAN TAMPA THAILAND TOLEDO VENEZUELA VIETNAM TORONTO WASHINGTON, DC ZURICH

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Class Notes

Mary Davidson, BBA '50

joined Himmelhoch Department Store in Detroit after graduation, and during her 25 years there she became a buyer and merchandise manager. When it shut down, she joined The Vogue in nearby Flint for 12 years until it closed. She then worked for Hadley Arden and retired after it shut down in 1993. "For a businesswoman in those days, retailing was your primary area," says Mary. After retirement she did some traveling until her sister was diagnosed with cancer. Mary took care of her until her sister passed away in March. Now she is content to stay

home and relax with a good book or crossword puzzle. You can reach Mary at marydav25@aol.com.

Vern Terpstra, BBA '50, MBA '51, PhD '65

received a certificate of appreciation from Wichita State University for his workshop on Internationalizing the Curriculum, held in mid-May. The conference included about 20 members of CIBER (Center for International Business Education and Research) and some 90 professors from around the country. Vern also attended a CIBER conference at the University of Connecticut in late July on International-

izing Doctoral Education in Business.

Jack Rounick, BBA '56

recently joined the law firm of Flamm, Boroff & Bacine PC in Blue Bell, Pennsylvania. He recently was named one of the top 100 attorneys in the U.S. by *Worth* magazine and one of the top 100 Super Lawyers in Pennsylvania by a vote of some 36,000 Pennsylvania attorneys. Jack also serves as a director of Deb Shops Inc., a NASDAQ-listed company. You can reach Jack at jrounick@flammlaw.com.

Bruce D. Evans, MBA '58

is a professor of management at the University of Dallas. Since creating the final required MBA course there in 1993, Bruce has guided 133 strategy-based team projects in which his students develop solutions for actual business problems

Mom, Daughter Balance Family, Careers

When **Rose Potcova Szoke**, BBA '50, graduated, she started out in retailing in Grand Rapids, Michigan, and ended up at J. L. Hudson in Detroit. "I worked in retailing for eight years and then stayed home for 20 years," she says.


Szoke resumed her career in 1978, first teaching in Buffalo and then helping women reenter the workforce. She retired in 1992 and moved to New Mexico in 1996. "When you are getting out of business school, you think as an individual. But later the degree helps shape your values and commitments to your family, community and place of worship," says Szoke.

Women today tend to do more career goal setting and planning than a generation ago, she notes, "and their timetables do not include 20 years out of the workforce."

For example, her own daughter, **Tina Szoke Cullom**, MBA '85, started in consulting with Touche Ross (later Deloitte and Touche, then Deloitte Consulting) in Chicago from 1985 to 1990, left consulting in 1991 to join a client's IT department, and in 1994 returned to Deloitte.

Tina married Mike Cullom in 1994 and a year later moved to the Denver area, where she joined a local healthcare

provider and became director of Physician Systems and then director of IT Consultancy. "In 1997 we had our first child, Rosemary, and I worked part-time," she explains. "This put me on a different track when it came to advancement." In 1999 she left the paid workforce. "My husband was doing well with his consulting practice, Evergreen Management Advisors. I poured myself into full-time motherhood. We had our second child, John, in 2000."

Now an independent consultant, she provides clients with project management and IT services. "Although it may not bring the title, salary and prestige of a large corporate or consulting setting, I am able to balance client and family needs," Cullom explains. "I advise new mothers to find a way to stay connected to their profession, even if it is a step back, because coming back is much more difficult. I returned to work for several reasons: I missed the challenge, I wanted to help provide for my family and I wanted to set an example for my children that you can be anything you put your mind to, and that it takes work to build and support a family." Contact Cullom at tcullom@emadvisors.com. 

Fred Wessells



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submitted by CEOs. “Our typical class is 14 students, and they decide how to organize their group into workable teams that jointly develop and deliver meaningful solutions to real problems. It has been a very rewarding experience over the past 34 years.” To contact Bruce, e-mail bdevans@qsm.udallas.edu.

Lynn R. Evans, BBA '59, MBA '59

has been appointed alumni representative to the U-M Committee on the Economic Status of the Faculty. This committee, formed in 1944, monitors faculty salaries, fringe benefits and other aspects of faculty employment competitiveness at other universities. Lynn continues to serve on the board of directors for McLaren Hospital in Flint, Brighton Hospital (Michigan's largest substance-abuse facility), “M” Club (University letter winners group) and the U-M Alumni Association. He resides in Bloomfield Hills but spends as much time as possible in Charlevoix, Michigan.

Roger Frock, MBA '59

a member of the founding group of FedEx, has written *Changing the Way the World Does Business*, the inside story of FedEx's incredible journey to success. It will be published by Berrett-Koehler in October. “The book recounts the potential roadblocks we faced, the difficulties of getting through the start-up, and the programs we instituted for our employees and customers,” says Roger. He adds, “Customer satisfaction was always a key element in our plans for the company and certainly one of the major reasons for its success.” You can contact Roger at rfrock@att.net.



B. Joseph White, PhD '75

shares the secret of becoming a great leader in his new book, *The Nature of Leadership: Reptiles, Mammals and the Challenge of Becoming A Great Leader*, being released by AMACOM Books in October. The book includes a foreword by C. K. Prahalad, the Paul and Ruth McCracken Distinguished University Professor of Corporate Strategy. In this

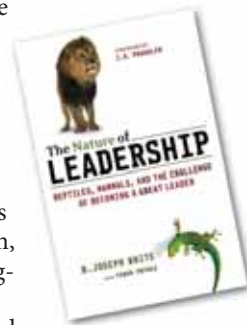


book, White lays out his philosophy about leadership gained over 30 years as a leader, both in academia and industry.

What do reptiles and mammals have to do with leadership? White uses the dichotomy of reptile and mammal to illustrate the dual nature of leadership, with reptiles representing the detached, analytical and sometimes adversarial side of leadership and mammals representing the nurturing, engaged and cooperative side.

In *The Nature of Leadership*, White goes beyond this dichotomy to outline a broader framework. The reptilian and mammalian nature of leadership form the sides of White's leadership pyramid. Other qualities he calls foundation requirements — including ability, strength, character and the desire to be in charge — form the pyramid base. At the top of the pyramid are the leadership requirements to make change successfully, including innovative thinking, risk-taking and recruiting great people.

White, dean emeritus and professor emeritus of business administration at the Ross School, served as interim president of the University of Michigan in 2002. He also served in two vice presidential posts at Cummins Engine Co. from 1981 to 1987. In January 2005, he took office as the 16th president of the University of Illinois, with responsibility for its Urbana-Champaign, Chicago and Springfield campuses. A native of Detroit and raised in Kalamazoo, White earned an MBA at Harvard Business School and a BS degree in international economics at Georgetown University School of Foreign Service.



Janice M. Whitehouse, MBA '79

has been named president of CyberMichigan, an institute within the nonprofit Altarum. “With support from CyberMichigan, the state of Michigan has made tremendous progress in providing residents access to information technology,” says Janice. CyberMichigan has been at



the forefront of helping Michigan policymakers, communities and residents better understand and harness the

power of information and communication technology to improve the lives of all Michigan residents. You can learn more at www.cybermichigan.org.

Howard Prager, MBA '80

As director of Lake Forest Corporate Education, www.lfce.org, Howard works frequently with corporations to create business and leadership certificate programs. The firm recently won three awards for its work with Simonton Windows of West Virginia. Last year it was recognized as one of the top five leadership development programs in North America (along with Caterpillar, GE, 3M and Procter & Gamble). You can learn more about Howard and LFCE by contacting him at hprager@lfgsm.edu.

Ted Haddad, 'BBA 82, and Dan McEnroe, BBA '85

co-founded Azimuth Capital Management LLC in September 2004. Their independent investment management and financial advisory firm is in Bloomfield Hills, Michigan. It draws on the diverse expertise of its principals to manage customized investment portfolios and deliver exceptional client service. The firm's primary



Ted Haddad



Dan McEnroe

focus is serving high-net-worth families, endowments and institutions. Ted has more than 20 years' experience in the investment management field, previously as managing director at R. H. Bluestein & Co. and then as vice president of Goldman,

Quenching Thirst in the Hot Hispanic Market

“The best part of life is recognizing an opportunity and capitalizing on it,” says **Richard Ross**, MBA ’91, vice president of marketing at Tampico Beverages. Tampico is the top-selling refrigerated juice drink in the United States (ACNielsen 2005) and the top nonalcoholic, noncarbonated beverage in the Hispanic marketplace (Spectra 2005).

Ross’ path to becoming an expert in Hispanic marketing began in childhood. Due to his father’s job in the industrial diamond business, his family traveled frequently. This inspired a passion for travel and learning about other cultures. He was especially drawn to Latin culture, with its emphasis on family and food, which mirrored his own values.

Today, Ross’ expertise in niche marketing is recognized throughout the field. He contributed to the book *Hispanic Marketing—A Cultural Perspective* and is an affiliate faculty member at the Center for the Study of Hispanic Marketing Communication at Florida State University, the first program of its kind in the United States.

Ross chose the Ross School because of its team-based approach to learning and the real-world exposure provided by alumni visits. One of his most memorable experiences was a course analyzing how

business was conducted in the former Soviet Union, which culminated in a two-week class trip to Russia.

Tampico Beverages was among the first businesses to capitalize on the growing U.S. Hispanic market. Instead of promotions in large retail chains, Tampico chose to leverage the power of smaller, independent retailers and market at cultural festivals, where Tampico was often the only beverage present.

Ross cites the 2000 census as a turning point in multicultural marketing in the United States. The census showed that the Latino population is the fastest-growing segment of the U.S. population. The census results confirmed what Tampico knew all along — that the Hispanic marketplace affords a huge opportunity. Tampico now faces more competition from large companies with big budgets.

However, Tampico will continue “to concentrate on what we do best,” says Ross. The firm has worked hard to build customer loyalty and remains focused on its core business. Initiatives include re-packaging key products, expanding to new channels and adding new product lines such as a vitamin-fortified Tampico Plus drink and a line of zero-calorie flavored water. Tampico also is refining its marketing strategy to target Hispanic



consumers from a large number of countries and with various degrees of acculturation.

The demand for Hispanic marketing specialists continues to outweigh the supply. The “future is bright for all,” says Ross. For students and alumni interested in multicultural or niche marketing, Ross offers this advice: Focus on building soft skills such as communication and teamwork, get out from behind the computer and learn from others in the field. ☒

Adrienne Losh

Sachs & Co. He also has served as a member of the Alumni Board of Governors and the Corporate Advisory Board of the Ross School and is a member of the CFA (Chartered Financial Analysts) Institute. Dan’s experience includes executive positions at Penske Corp., including treasurer of Detroit Diesel Corp. and portfolio manager at JMB Institutional Realty Corp. He previously served as a member of the board of directors of Noble International Ltd. and is also a CFA. Ted and Dan can be reached by phone at 248.433.4000 or by e-mail: thaddad@azimuthcap.com and dmccenroe@azimuthcap.com.

Mark Bodnar, MBA ’83

a financial professional with AXA Advisors LLC in Cincinnati, has earned a certificate in retirement planning from the Wharton School. Mark was one of only 50 AXA Advisors financial professionals selected from more than 3,000 nationwide. He also holds the Certified Financial Planner, Chartered Financial Consultant and Certified Life Underwriter professional designations. He is active in community and professional organizations, including Summit Country Day School, Cincinnati Association of Life Underwriters, University of Michigan

Alumni Club, Financial Planning Association and the National Association of Insurance and Finance Advisors. He resides in Cincinnati with his family and has been with AXA Advisors since 1987. You can reach Mark at Mark.Bodnar@AXA-Advisors.com.

Andrew Dietz, BBA ’84

has just written *The Last Folk Hero: A True Story of Race and Art, Power and Profit* (Ellis Lane Press, 2006). The book discusses the ugliness behind the high-stakes, big-egos world of folk and modern art collecting. Andy reveals the power

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plays, subtle racism and ferocious agenda setting revolving around noted artists. Currently Andy is founder and

president of Creative Growth Group, a marketing consultancy. He has worked for Ziff Davis Publishing, BellSouth and Egon Zehnder Global Executive Search Firm. Andy has been married for 18 years and has two daughters, ages 11 and 4. He serves on the board of directors of the Anti-Defamation League, Atlanta College of Art and Museum of Contemporary Art of Georgia. You can reach Andy at adietz@bellsouth.net.



Vincent L. Barker, BBA '85

has received a Center for Teaching Excellence Award at the University of Kansas. He was one of 20 faculty members campus-wide to receive the honor in 2006 based on a poll of KU students about faculty members' positive influence as teachers. He is an associate professor of strategic management and Scupin Research Fellow at the University of Kansas School of Business. He lives in Lawrence, Kansas, with his wife Kathy and sons Vinnie and Jake. You can reach him at vbarker@ku.edu.

David Han, MBA '85

is president and COO of Pangborn Technovations of Ann Arbor, which has developed a processing device that the company claims is four times faster than the fastest personal computer chip on the market today. "Potentially, this could turn a PC into a supercomputer at a low cost," says David. John Won Park, a professor and scientist at Chungnam National University in South Korea, invented the chip. David explains that the innovation involves the way in which the company uses parallel processing.

Lesa Chittenden Lim, MBA '86

has been named president of Lenox Brands (Lenox, Dansk and Gorham). Lenox Group Inc., established in 2005, is a U.S. market leader in quality tabletop items, giftware and collectibles. Lesa formerly was president and general manager of Honeywell's special chemicals business. After Honeywell, Lesa established her own consulting business focused on post-merger integration while continuing to pursue her fine arts degree. Preceding her experience at Honeywell, she was with McKinsey and Co., DuPont and Ford Motor Co. At Lenox, Lesa is responsible for the wholesale channel, product development, marketing and supply chain management.

Timothy A. Wild, MBA '89

has been selected by Gordon Page & Associates, America's premier automobile dealership business brokerage and consulting team, to establish a new Ohio office for the firm. Tim has worked with auto dealers across the U.S. for nearly two decades as a commercial banker, financial consultant and intermediary. He has accomplished numerous dealership acquisitions and divestitures during his tenure with Chrysler Financial, Comerica, AmSouth, Bank One/Chase and Battelle Financial Advisors. You can reach Tim at twild@gordonpage.net.



Catherine Piner Farley, BBA '92

joined Telemus Capital Partners LLC as controller in April, where she is responsible for financial operations and reporting. Catherine previously was the CFO/VP of Finance at H&R Block Financial Advisors/OLDE. She is a CPA and resides in Canton, Michigan. Telemus Capital Partners is a private investment management firm, based in Southfield, offering independent financial advisory services for high-net-worth individuals, families, businesses



and institutions. Catherine serves on the board of directors of the Ross School of Business Alumni Club of Southeastern Michigan. You can reach her at cfarley0524@yahoo.com.

Lee Meddin, MBA '93

was included in a feature in the June issue of *Treasury and Risk Management* magazine titled "100 Most Influential People in Finance." Lee was listed with five others in "Artists of the Deal," including the CEOs of Merrill Lynch and Goldman Sachs, as well as the founding partner of KKR. A text version of the article can be found at www.treasuryandrisk.com/issues/2006_06/careers/536-1.html. You can find some other recent articles featuring work Lee has been involved with at www.ifc.org/structuredfinance. Lee lives in Potomac, Maryland, with his wife Erika and 18-month-old son Samuel. You can contact him at lmeddin@umich.edu.

Joseph Medlin, MBA '93

is VP, Finance, IT & Administration for Altea Therapeutics in Tucker, Georgia. Joe reports that Altea Therapeutics has been named a winner of a Georgia Biomedical Partnership Deal of the Year award for a venture-capital financing that raised almost \$33 million, the largest VC deal in Georgia in 2005. In addition, ground was broken early this year for Technology Enterprise Park, a new 11-acre bioscience R&D park affiliated with Georgia Tech University. Altea Therapeutics has signed on as the anchor tenant. You can reach Joe at jmedlin@alteatherapeutics.com.



Ben Zainea, BBA '96

was voted into membership in the law firm Mika, Meyers, Beckett & Jones PLC

in Grand Rapids, Michigan, where he specializes in mergers and acquisitions, general business, franchise, banking and real estate law. Ben, who received his law degree from the University in 1999, serves as president of the U-M Club of Grand Rapids. You can reach Ben at bazainea@mmbjlaw.com.

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Amin Khakiani, MBA '97

successfully launched his own independent portfolio management firm in 2004. Using a pension fund/university endowment approach to investing, his portfolios have broad diversification and risk management, and have returned in excess of 30 percent over the past two years. You can reach him at amin@fpmcapital.com.

Craig S. Gilden, MBA '00

recently finished co-authoring a book on working in large organizations. "Our book, *Create SPACE*, helps people see organizations in a new way. Using terms such as 'friction,' 'heat' and 'useful work,' we use physics to explain organizational behavior," says Craig. "Then we offer concrete methods and approaches for success within organizations." You can reach Craig at csgilden@umich.edu.

Derek Flowers, MBA '01

has been promoted to senior vice president and managing director of Wells Fargo's proprietary investment group. He serves as manager of the 20-member research team generating investments involving high-yield and high-grade corporate bonds and bank debt, credit derivatives and equities. He and his wife Katrina live in the San Francisco Bay area with their two children, Kaitlyn and Austin. You can reach Derek at flowersd@sbcglobal.net.

Playing to Win in the Boardroom and on the Field



Rigorous, fast-paced and cut-throat — a typical game for rugby player **Pam Kosanke**, BBA '00, whose time off the field bares a striking resemblance to her time on it.

Kosanke, a former captain and Academic All-American softball player for the University of Michigan, is an account supervisor for Leo Burnett Advertising in Chicago and is in her fifth year playing in the backline for two U.S.A. women's rugby teams.

Balancing two full-time jobs comes easily for Kosanke, who also found time to coach rugby at a charter high school for three years, teach spinning and play for four other local and regional club rugby teams.

"I'm in such an incredible situation," says Kosanke, who never thought she'd end up in advertising, let alone playing rugby after a long and rewarding softball career (friends introduced her to the sport.)

"My laptop is with me all the time. It's not a nine-to-five job — I'm never really 'off,'" says Kosanke, who adds that it's a lifestyle she has accepted.

The key to her juggling act was to establish good relationships with her colleagues and clients. "They've been very understanding," she says. "Teammates have caught me working and checking e-mail at 3 a.m. when I'm on the road. I work on

the plane, in the airport, wherever."

She attributes a lot of her success — Kosanke's on the fast track to becoming a director — to the business school. "The collaborative environment and focus on communication skills helped prepare me for where I am today," she says.


Kosanke tries to make it back to Michigan for reunions and softball games as much as possible and says her athletic experience here was the single most influential and challenging time of her life.

"You can't escape the softball tradition at Michigan. It's a family and you never forget," she says.

Although her schedule can be grueling, Kosanke has enjoyed the benefits of competing internationally. "I have friends all over the world, and anywhere I play, I always have someone to stay with or come watch my game."

Despite her passion for rugby, Kosanke has her sights set on other ventures. "After the World Cup this fall, it may be the culmination of my rugby career and I'll have to ask myself, 'Is it time to move on?'"

Pursuing a master's degree, starting her own business and coaching have all crossed her mind. "I'd love to figure out a way to feasibly mass produce healthful food as an alternative to the 99-cent cheeseburger. I've also thought about a nonprofit career like fundraising for women's athletics," she adds.

The future holds many possibilities for Kosanke. For someone who can be seen tackling an opponent in Hong Kong on a Monday and presenting a competitive analysis to a high-profile client in Chicago on Tuesday, it's fair to say this Ross School grad is ready to take on — and conquer — whatever comes next. 

Heather Thorne

Consulting for the Greater Good

When **Samantha Lasky**, MBA '03, left Rochester, New York, after high school, she landed in the Steel City at the University of Pittsburgh and has been a Steelers fan ever since. Between her junior and senior years, Lasky interned for Congressman John LaFalce and fell in love with politics and the “rush.” She joined a campaign training program chaired by Senator Bill Bradley, Governor Ann Richards and Governor Richard Celeste.

Says Lasky, “My candidate didn’t win, but I moved to D.C. anyway and found a temporary contractual job working for a trade association. When that ended, I went to work for Baxter Healthcare and ran its political action committee and grassroots programs for two years. Then Bill Bradley decided to run for president.” When the Bradley campaign ended, Lasky joined Ketchum Public Relations. But she soon decided she needed more training and applied for the MBA program.

She spent her MBA summer internship at Medtronic doing marketing. “It was a great job and great company, but it wasn’t for me,” says Lasky, “So I started my job

search in public-private partnerships and working with nonprofits. This was not a good time for those endeavors, but I decided to move back to D.C. Rick (now my husband) and **Tara Smith**, MBA '03, who also moved to D.C., encouraged me to make consulting my business. So I named myself, started telling people I was a consultant and have been busy ever since,” laughs Lasky, whose company can be found at www.sjlg.com.

Lasky says the MBA program’s credo to develop leaders with a global conscience extends far beyond the walls of the school and corporations. “With the economy continuing to change, providing more nonprofit opportunities to students is another way the Ross School can adapt to changing times and be a leader,” asserts Lasky, who has worked with large and small nonprofits and foundations on issues such as mental health, education, caregiving and the environment. Her work with such organizations as College Summit, the Ewing Marion Kauffman Foundation, FamiliesUSA, the Rosalynn Carter Institute for Caregiving and the World Resources Institute has led her to



Samantha Lasky, right, with former first lady Rosalynn Carter.

ask tough questions and find innovative solutions.

“As an alum, I help with recruiting and admissions work in D.C. I also recently was invited to join the Ross Women’s Council Networking Committee. When I chose Michigan for grad school, I liked the students I met at recruiting events. They made it clear that people with all types of work experience would be welcome and that different backgrounds are valued. I found this respect for diversity and the astounding camaraderie to hold true throughout my entire stay at Michigan.”

Fred Wessells



Matthew V. Horning, MBA '01 was appointed treasurer of the city of Ann Arbor on February 1. Prior to that, he

served as financial manager for the city’s community services area. He has been a city employee since his undergraduate days in 1989, when he started as a cashier at the municipal golf courses. As treasurer, Matthew is responsible for collecting and disbursing tax and other revenue, managing the city’s investment portfolio, banking and risk management activities. He lives in the Ann Arbor area with his daughters Katherine and Anna.



Danielle E. Shainbrown, BBA '01 has been hired as an associate with Rupp Baase Pfalzgraf Cunningham & Coppola.

She is a litigation attorney who focuses on commercial litigation and insurance defense. During law school at SUNY at Buffalo, Danielle was a student law clerk for the Hon. William M. Kretny in the U.S. District Court for the Western District of New York and business editor for the *Buffalo Law Review*.

Sima Patel, MBA '03 originally from Scarsdale, New York, was married to **Timothy Mackey**, BBA '93,

originally from St. Clair Shores, Michigan, in November 2005. Sima is a Manhattan-based strategy consultant with Booz Allen Hamilton, working primarily with the Department of Intelligence. Timothy is a principal with the commercial real estate finance group of Banc of America Securities LLC in Manhattan. They reside in Darien, Connecticut. You can reach them at simap@umich.edu.

Renata Kosova, PhD '04 was awarded the Gunnar Hedlund Award for the best PhD thesis in the field of international business: *Do Foreign Firms Crowd Out Domestic Firms? Evidence from the Czech Republic*. Stockholm School of Economics Professor Orjan Solvell, chairman of the jury, stated, “Renata Kosova has written a novel piece in the heart of the field of international business. The issues of competitive dynamics,

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firm survival and foreign entry into a domestic market are central to international business research, particularly the field of host country impact. Renata's work sheds new light onto these issues." A major strength of her dissertation is the originality of the topic and the extensive empirical work involving more than 6,000 domestic firms over an eight-year period. The award was presented at the European International Business Academy annual

meeting in Oslo, Norway. You can reach Renata at kosova@umich.edu.

John O. Renken, MBA '04

is a partner with Hawkins Delafield & Hood LLP in Washington, D.C. You can reach John at jrenken@hawkins.com.

Colleen Newvine Tebeau, MBA '05

relocated to New York to become deputy director of U.S. newspaper markets for the Associated Press. Her husband John, who graduated from LSA in 1986, is an artist and graphic designer



(see www.tebeau.com). Colleen is enjoying getting involved in the University of Michigan Entertainment

Coalition's New York chapter and in the Ross Alumni Club of New York. You can reach Colleen at cnewvine@gmail.com. ☑

OBITUARIES

Hugh Mallick

MBA '38

died in Silver Spring, Maryland, on March 27, 2005, at age 92. He was born to a railroad family in Jamestown, North Dakota, and graduated from Jamestown College in 1934. His final MBA project was "A Method of Isolating Sinusoidal Components in Economic Time Series," which he translated to "Margin of Error" using his wry sense of humor. Hugh worked for several companies in accounting and auditing positions prior to World War II, including General Mills and Montgomery Ward in Minnesota. He worked during the war with the Army Air Corps in its finance department, and then attended the Armed Forces Industrial College before being stationed in Salt Lake City, where he married Lucille Juckem, whom he had met in Minnesota.

After the war, Hugh was employed with the Federal Housing Administration (later the Department of Housing and Urban Development). He spent most of his career traveling the country reviewing HUD projects, and he was extremely proud that he spent time in every U.S. city with a population of more than 50,000. He retired in 1973. After retirement, Hugh and Lucille were active gardeners and antique lovers, and traveled extensively to visit family and friends and see national historic and geographic sites. He started doing extensive genealogical research in 1975 after the death of his daughter in a parachuting accident, and continued that for most of the rest of his life.

Hugh had a lifelong fascination with trains and traveled by rail whenever possible. One of his favorite trips was to the periodic reunions of his Army group,

which he continued to attend well into his late eighties. Both he and his wife loved staying in contact with people and filled their lives with family and friends of many generations. Hugh was a founding member of his parish church in Silver Spring in 1961 and maintained his membership in the Knights of Columbus. He and Lucille were sponsors of several priests and Catholic educational programs. He was predeceased by Lucille in 1994 and his son Gerald in 1995.

Louis Marr

MBA '49

died of natural causes on March 6 in Ann Arbor. Lou attended Milwaukee public schools and graduated from the Milwaukee State Teacher's College in 1938. He became an elementary school teacher in Grosse Pointe, Michigan, where he met fellow teacher Harriett Beyer in 1939. They were married in 1942 while he was stationed in Blythe, California, for training in the U.S. Army Air Corps prior to his deployment to England and France as a communications officer in the 409th Bomber Group. When he returned from the war in 1946, Lou and Harriet settled in Ann Arbor, where he completed his MBA and they raised five children.

Lou's career took him daily by train to Detroit, where he served on the staff of the Detroit Board of Commerce, then as editor of the *Detroit* magazine and as a senior legislative analyst until his retirement in 1978. He also continued a career in the armed services by serving in the U.S. Air Force National Guard, retiring as a Lt. Colonel. He spent the rest of his life devoutly involved with his family, golfing, reading and Michigan football and basketball. He is survived by his wife of 63 years,

his daughter Laura Marr Baur, and sons Louis, John and Joseph, as well as a large extended family throughout several states.

Gary Lichtenstein

BBA '00

died in October 2003, at age 24, after courageously fighting glioblastoma, the most common and aggressive type of brain tumor. His family waited to make the announcement until they created a foundation for glioblastoma research in Gary's memory called Voices Against Brain Cancer (www.voicesagainstbraincancer.org). Gary, an entrepreneur and leader, was a well-respected, dedicated and skilled trader at Wolverine Trading in Chicago. "Gary redefined the words 'courage' and 'faith' for all of us," said his brother Adam. "He embraced life with a vigor that made all who knew him look at their own lives from a different vantage point. Instead of succumbing to hopelessness, he made each day feel like a gift."

Glioblastoma attacks approximately 40,000 people each year. "Because of the urgent need for a cure," explained Adam, "my family has created this foundation to advance the progress toward a cure and support the medical research and clinical trials critical to the eradication of this disease. The foundation also will help fund the various wellness programs that assist patients struggling with brain tumors and their families. It is our hope that the work of this foundation can continue the legacy of courage, persistence and determination that Gary showed." ☑

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Widen Your World September 27

Join us Wednesday, September 27, as we unite alumni across the globe in celebrating the first annual Worldwide Club Day. The event, designed to welcome new alumni to their communities, will include networking, student recruiting, community service projects, career development workshops, alumni seminars and faculty lectures. Find out more about activities in your area by visiting www.bus.umich.edu/ClubDay.



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