



# Michigan Ross School of Business Enriching Academics in Collaboration with High Schools (MREACH)

## 2006-2007 Annual Report



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## **BACKGROUND ON THE MREACH PROGRAM**

The Ross School is focused on strengthening the linkages along the educational pipeline by providing career enrichment, academic preparation and hands-on business activities for underrepresented minority groups (e.g., African-Americans, Hispanics and Native Americans) as well as first generation college-bound students and students from lower socio-economic standing. MREACH brings Detroit and other Southeast Michigan high school students (urban and rural) to the Ross School for a series of action-based learning experiences introducing the young people to basic theories of business disciplines, with a special emphasis on accounting as the fundamental building block. In addition, MREACH offers students insight into the college planning process and business careers.

### **Articulating the Need**

- Preliminary research conducted with several nationally-ranked undergraduate business programs reveals that a lack of diversity in business and business education is present throughout higher education.
- Many corporate recruiters from Fortune 500 companies have a strong desire to diversify their workforces; however, there is clear lack of underrepresented students to adequately fill the needs of corporate America.
- Currently, linkages along the business education pipeline are weak.
- There exist challenges – both real and perceived – for first generation college-bound students and students from lower socio-economic standing attending college.

### **The MREACH Mission**

The overarching goal of MREACH is to start developing and nurturing students' interest in college and a business career as soon as students begin their high school lives.

MREACH staff have set the following goals for the program:

- Expose underrepresented students to college and to areas of business such as accounting, business economics, marketing, finance, investment banking, supply chain, strategy, consulting, entrepreneurship and general management;
- Provide action-based experiences through an entrepreneurial component that involve the Ross School faculty and undergraduate students;
- Provide participants with a unique and meaningful business learning environment that is currently not available in high school;
- Provide students with a Four-Year Course Planning Guide and workshops that will help students prepare for the college application and scholarship/financial aid process;
- Promote professional development through interaction and activities with corporate staff and executives; and
- Foster cross-cultural and interpersonal relationships by exposing the students to a different environment and people of diverse backgrounds.

*Caterpillar Inc.'s Ty Riley speaks to high school students about corporate accounting and the Caterpillar brand.*



### **Unique Aspects of the MREACH Program**

- Goal to retain 100% of the same students in each of the four years of the program
- Summer-time and school-year events in order to keep students continuously engaged
- Minimal coordination efforts on behalf of the public school staff
- Custom textbook written by Ross School faculty for the program
- Use of Ross School's state-of-the-art facilities, including the Tozzi Electronic Business lab
- Interaction with Ross School faculty and student groups
- Corporate lectures and seminars
- SAT/ACT prep
- College financial aid seminars
- Essay-writing instruction



*Professor Karen Bird visits students at Southfield Lathrup High School as part of the 9<sup>th</sup> grade component.*

## MREACH CURRICULUM

### 9<sup>th</sup> Grade Component

- Fall Term at Ross:
  - Business simulation introducing students to business and accounting: students are divided into two management groups of six with the remaining 38 students as potential investors/customers. The management teams of the two companies engage in financing, investing and operating activities. Capital is raised through both equity and debt. Management teams can choose three options prior to operations: invest in automation, hire a consultant or increase advertising. Each company sets its product's price and operations begin. Results of the operations are compiled and reported via an income statement and balance sheet.
  - Student panel for Q&A with tie to the students' high school academic career.
  - Keynote speaker opportunity.
- Students receive information about the college financial aid process and each student receives a copy of *U-M Prep Notes: A Guide to Preparing for College*. The U-M Office of Financial Aid provides a workshop about the financial aid process.
- Follow-up at High Schools: Professor Karen Bird and BBA Accounting Club students introduce financial statements (income statement, balance sheet and statement of cash flows) along with an exercise using real-world financial statements. The 9<sup>th</sup> grade students are asked to read the book entitled *Introduction to Accounting* by Eugene A. Imhoff and Charles F. Klemstine. Students are asked to complete two exercises for the follow-up session at their schools.



*Q&A session with a Ross School student panel.*

## 10<sup>th</sup> Grade Component

- Fall Term at Ross: Simulated university-classroom lectures covering economics and accounting concepts relevant to the on-line business simulation game.
  - Economics game competition: The on-line business simulation/competition utilizes Severin Borenstein's *The Competitive Strategy Game*, a simulated market environment in which up to eight teams compete in any of four markets, choosing which market(s) to enter, how much production capacity to build, what prices to charge, and how much output to produce. The markets differ in their fixed versus marginal costs of production, sunk entry costs, size, degree of product differentiation, growth rates, and storage characteristics. Each firm knows its own costs in each market and the distribution from which all firms' costs are drawn.
  - The Game is useful for teaching basic economic concepts such as sunk, fixed, and marginal costs, the opportunity cost of investment, firm- and market-elasticities of demand, and product differentiation. It also is immediately applicable to discussions of entry deterrence, first-mover advantages, preemption, competitive advantage, predation, oligopoly coordination, multi-market contact, signaling, information asymmetries, and end game issues in finitely repeated games.
  - Teams of five will compete on-line over the fall term.
- MREACH Summer Business Academy: One-week campus residency program introducing students to the skills needed to create and develop a business plan. RSB faculty, BBA students as well as resources from Zell Lurie Institute will provide workshops from all functional areas of business (i.e. marketing, corporate strategy, entrepreneurship, etc.)
- Aid with college planning process including SAT/ACT preparation. MREACH will provide each participant with a packet of self-help resources such as an SAT review book.

*Professor Paul Clyde discusses results from the Competitive Strategy Game with 10<sup>th</sup> grade students from the three pilot schools.*



## 11<sup>th</sup> Grade Component

- Fall term at High Schools: Launching of business plans with assistance of seed money earned from the tenth-grade on-line business simulation game. Technical support provided throughout the year by BBA student mentors, faculty and staff.
  - Students have the opportunity to learn how to evaluate stocks, mutual funds and other investments through the Tozzi Finance Center. The trading room offers specialized software relating to financial news, analytics, research services, portfolio and risk management, trading simulations and access to online brokerage research.
  - Students have the opportunity to manage a virtual portfolio through *Marketocracy*, a web-based research site that has already developed a customized software program for high school students.
  - Students have the opportunity to manage and invest money earned through their small businesses throughout the year. The coordinator and advisor of the Tozzi lab will work with students on three different occasions throughout the academic year.
- Ross Office of Career Development MBA/BBA peer counselors in conjunction with corporate partners present career path seminars in areas such as accounting, business economics, marketing, finance, investment banking, supply chain, strategy, consulting, entrepreneurship and general management.
- Ross Office of Career Development staff and corporate sponsors provide career path information and workshops covering topics such as professional attire, business etiquette, resume writing, etc.
- Aid with college admissions process including essay writing along with continuation of SAT/ACT preparation.
- Each team submits annual business report.
- Distribution of information about summer programs with a business focus (i.e. INROADS, LEAD Program, etc.) for rising high school seniors.

## 12<sup>th</sup> Grade Component

- Fall term at Ross School:
  - One-day workshop/fair exposing students to the core courses in a nationally recognized BBA program along with careers paths available to graduates of such programs. This day bridges the college experience with career paths.
  - Participants attend several RSB classes and spend one day shadowing a Ross BBA student.
- Undergraduate Business School Fair for business schools in the state of Michigan (to include U-M, MSU, WSU, Central Michigan, Western Michigan, Oakland University, etc.)
- Continuation of the college application process through RSB and the U-M Office of Undergraduate Admissions, with an emphasis on the scholarship search process, need-based aid process, and essay writing.
- Follow-up communications with the students throughout the year regarding post-high school plans using RSB's BBA Program Office resources.
- MREACH Spring Banquet hosted by the Ross School of Business.
- Distribution of list of MREACH high school graduates to corporate sponsors and college recruitment staffs for collegiate recruitment programs and events.



**The RSB BBA Program Office will develop and implement a data collection and database System for tracking and maintaining communication with students throughout all four years.**

## MREACH 2006-2007 STATUS REPORT

### 2006-2007 Academic Year Facts

- The 9<sup>th</sup> grade program is in its second year; the 10<sup>th</sup> grade program is in its pilot year.
- In only its second year, the program has already served approximately 350 students.

### 2006-2007 Participating High Schools

- Wayne Memorial High School\*
- Cass Technical High School\*
- Southfield Lathrup High School\*
- Southfield High School
- Martin Luther King High School
- Renaissance High School
- Ypsilanti High School
- Western International High School
- Ann Arbor Huron High School
- Howell High School

\*Indicates schools participating in pilot program.



*MREACH participants from Howell High School.*

## 2006-2007 Cohort Statistics

### 9<sup>th</sup> Grade Participants (310 students)

Male 51%  
Female 49%

#### Ethnicity

Asian/Pacific Islander 4%  
African American 55%  
Hispanic/Latino 14%  
American Indian 1%  
White 19%  
Multi-Racial 6%  
Other 1%

#### Self-reported Academic Performance

A-average 30%  
B-average 54%  
C-average 15%  
Below C-average 1%

	<u>Yes</u>	<u>No</u>	<u>Not indicated</u>
Mother/Father/Guardian college degree?	60%	39%	1%
Interest in attending college?	99%	1%	--
Interest in business degree?	70%	27%	3%

### 10<sup>th</sup> Grade Participants (37 students\*)

Male 34%  
Female 66%

#### Ethnicity

Asian/Pacific Islander 7%  
African American 78%  
American Indian 0%  
Hispanic/Latino 2%  
White 2%  
Other 9%

#### Self-reported Academic Performance

A-average 33%  
B-average 58%  
C-average 9%  
Below C-average 0%

	<u>Yes</u>	<u>No</u>
Mother/Father/Guardian college degree?	65%	35%
Interest in attending college?	98%	2%
Interest in business degree?	79%	21%

\* Pilot group; 9<sup>th</sup> grade participant population of 44 students

## WHY MREACH? IN THE STUDENTS' WORDS



“I chose to participate because I love Michigan. I want to go to U of M. U of M is my first choice for college. I feel U of M is the right place to be to excel in my academic career.”

- 9<sup>th</sup> Grader, Renaissance High School

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“The business industry would expand my horizons to a plethora of careers for my future well-being.”

- 9<sup>th</sup> Grader, Southfield Lathrup High School

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“I think this is a great opportunity for me because a lot of kids don’t get chances like this.”

- 9<sup>th</sup> Grader, Wayne Memorial High School

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“Business matters are everyday, no matter which field one decides to partake in. The program will provide future opportunities in which I plan to take advantage of.”

- 9<sup>th</sup> Grader, Renaissance High School

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“I want to enhance my leadership skills, business education, and own my own business or take over my mother’s.”

- 9<sup>th</sup> Grader, Southfield Lathrup High School

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“MREACH helps you build your skills in math.”

- 10<sup>th</sup> Grader, Cass Tech High School

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“I have large dreams, and with dreams that big, I need a plan.”

- 9<sup>th</sup> Grader, Ypsilanti High School



## MREACH STAFF

### **Robert J. Koonce**

Executive Director, MREACH  
BBA Program Office  
Director, Undergraduate Student Affairs  
Stephen M. Ross School of Business

### **Karen S. Bird**

MREACH Curriculum Coordinator  
Lecturer of Accounting  
Director of Accounting GSI  
Development

### **Paul Clyde**

MREACH Curriculum Coordinator  
Adjunct Professor of Business Economics  
and Public Policy  
Academic Director of the Evening MBA  
Program  
Research Fellow, William Davidson  
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### **Lynn Perry Wooten**

MREACH Summer Academy faculty  
Professor of Corporate Strategy &  
International Business

### **David Wooten**

MREACH Summer Academy faculty  
Associate Professor of Marketing

### **Hyun-Soo Ahn**

MREACH Summer Academy faculty  
Assistant Professor of Operations and  
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### **Damian R. Beil**

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### **Mandi Gross**

BBA Sophomore  
MREACH Research Assistant  
Undergraduate Research Opportunities  
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### **Heather Rindels**

Director of Corporate Relations  
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### **Teresa Herrick**

Faculty Support Services  
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### **Janet Nightingale**

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Stephen M. Ross School of Business

### **Karen Phelps**

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Stephen M. Ross School of Business

### **April Miller**

Faculty Support Services  
Stephen M. Ross School of Business

### **Ross Student Clubs**

**BBA Accounting Club**

**Black Business Undergraduate Society**

**BBA Finance Club**