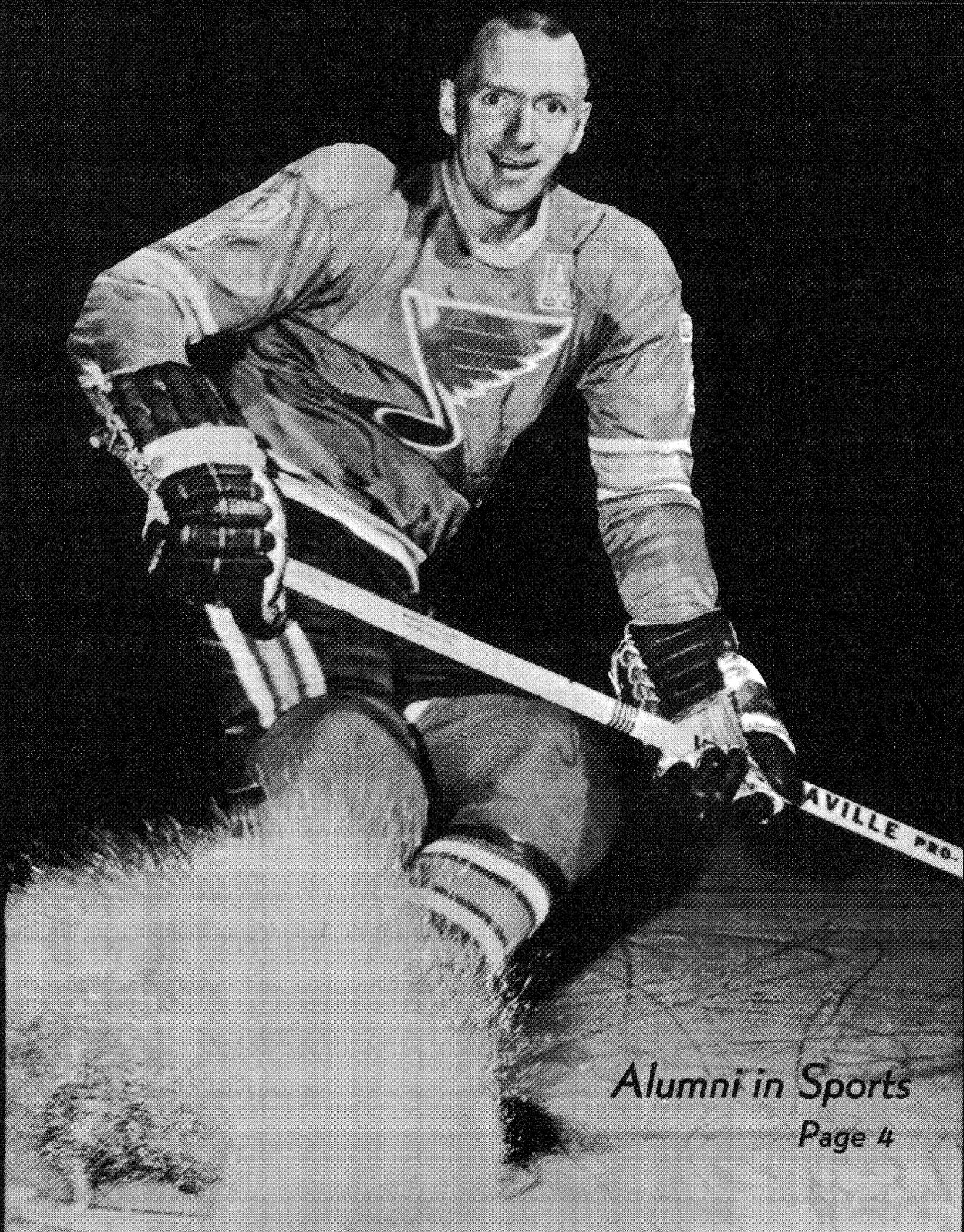


Fall, 1969

Dividend

The Magazine of the Graduate School of Business Administration • University of Michigan



Alumni in Sports
Page 4

Letters

Letters to the Editor are welcome. They should be on subjects of interest to readers of this magazine with emphasis on an exchange of views and discussion of ideas.

Editor:

Although I am not a graduate of your school I found the first issue of *Dividend* very interesting.

Could you send three complimentary copies of that first issue to the Chief of Party, Pittsburgh University/USAID, Institute of Administration, Zaria, Nigeria, and three complimentary copies to me at the Graduate Management Program, American University in Cairo, 113 Sharia Kasr El Aini Street, Cairo, where I will be taking up an appointment in mid-September.

The Institute here plans to start an occasional newsletter for managers in the public and private sectors in Nigeria. Would it be possible for you to grant permission to reproduce some of the material in this first issue, as well as in future issues, for non-profit purposes under the usual conditions of acknowledging *Dividend* as the source?

E. L. Muth, Acting Head
Department of Public Administration
Ahmadu Bello University
Zaria, Northern Nigeria

*Permission granted, as long as
Dividend is acknowledged as the
source—Ed.*

Editor:

Simply wanted to let you know that I enjoyed your new magazine *Dividend* very much, and will be looking forward to receiving future copies.

Dorothy Mitchell Stolpin
Flint, Michigan

Editor:

I am taking advantage of your open invitation to send you my comments and observations about your initial issue of the magazine *Dividend*.

As a 1949 M.B.A. graduate of Michigan, I have followed closely the growth and development of the school and the university during the last twenty years.

I commend you for the excellent, attention-getting cover which you used on this issue as well as the interesting articles which you included. I feel that the variety of subjects covered continued to engage the interest of the reader, and I would suggest that you continue in this format.

May I suggest that you plan to have more reviews of both books and studies relating to business in your future issues. The review by Professor Lewis on the comparison of Management and Machiavelli was excellent. I would recommend more of this kind of review.

I would also suggest for your consideration periodical reports on the findings and conclusions in the field of the behavioral sciences. Since both the School of Business Administration and the other institutions on the campus have some specialization in this field, I am certain there are many developments from Dr. Rensis Likert's organization which would provide material for a number of future articles.

You have developed a very good initial issue, and I hope that you and your organization will continue to maintain the high quality level and interest in future editions.

Albert M. Warner, M.B.A. '49
Vice-President, Industrial Relations
Sylvania Electric Products, Inc.
New York City

Editor:

Thank you for including me among those privileged to receive the first issue of *Dividend*. You are to be complimented on the excellence of this publication. I think I have never seen as much interesting, informative, and provocative material condensed into so few pages.

G. W. Willard
King Engineering Corporation
Ann Arbor, Michigan

Editor:

Just a short note to let you know that I was very pleased to receive a copy of *Dividend*, spring edition. I found it most enjoyable and nostalgic, especially the section "Every Seven Years."

Lt. Cdr. R.G.C. Collette, M.B.A. '68
Hatboro, Pa.

Editor:

The first issue of *Dividend* was, in my opinion, excellent. You and the school are to be congratulated on taking a very solid step forward.

On page 7 you mentioned Professor Fred Munson's research on the decision-making process in public schools. When this is published, I would enjoy seeing what he has to say on this topic. Could you let me know how I might secure this information?

Gordon Nethercut M.B.A. '54
Alpena, Michigan

*The Research results will be
incorporated into a book on the
public school system. Publication
date has not yet been set, but we'll
let you know when it is.—Ed.*

Dividend

The Magazine of the Graduate School of Business Administration

VOLUME I, No. 2

Fall, 1969

Alumni in Sports 4

Pictures and captions about eleven of our alumni who have distinguished themselves in some area of athletics.

Among Ourselves 11

An informal collection of items, including facts about faculty, news of alumni and of the school, and assorted other information, opinion or comment that we think will interest you.

The Placement Picture 18 *by Arthur S. Mann*

Our Placement Office Director gives statistics on salary levels, demand for M.B.A.s, and other information on the job market.

What Were You Looking For in Your First Job? 20

Four new M.B.A.s discuss what factors they weighed in deciding on their first job, and what goals they are aiming for in the future.

Black, White and Bus. Econ. 490 & 491 24 *by Pringle Smith*

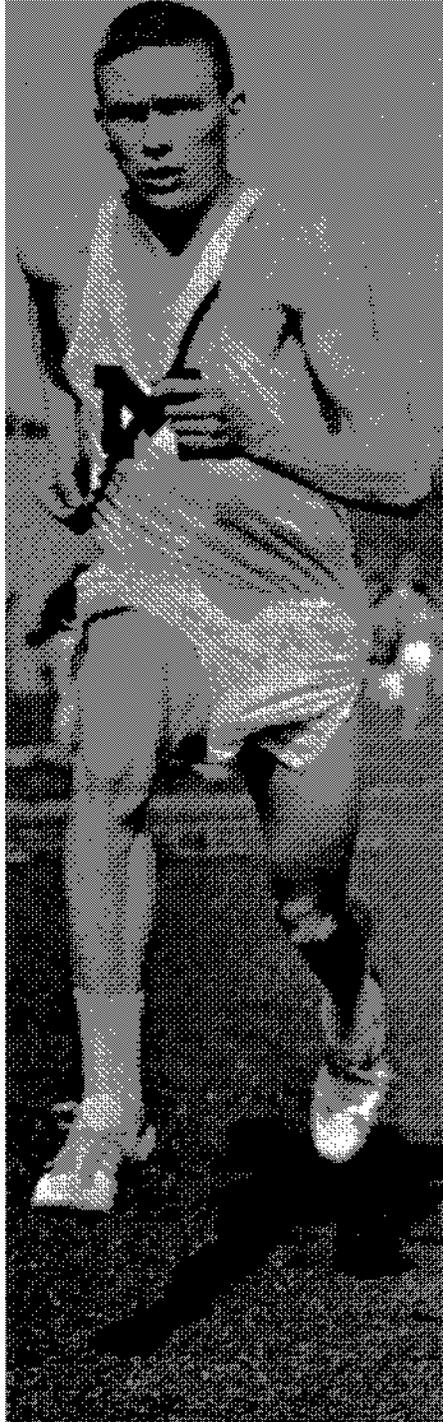
Two experimental courses dealing with black capitalism were started last year at the School. This article discusses student reaction to the courses, the research they did, and what they say they learned.

About the Cover

Gordon "Red" Berenson, M.B.A. '66, of the St. Louis Blues is pictured on the ice where he has made such a brilliant career as a pro-hockey player. For the past two years Red was chosen Most Valuable Player in the Western Division of the National Hockey League. He was featured on the cover of *Sports Illustrated* in April, 1969. For more on Red and other of our athletic alumni, turn to page 4.

*Published three times a year: Fall, Winter, Spring by the
Graduate School of Business Administration,
University of Michigan, Ann Arbor, Michigan
Editor: Pringle Smith
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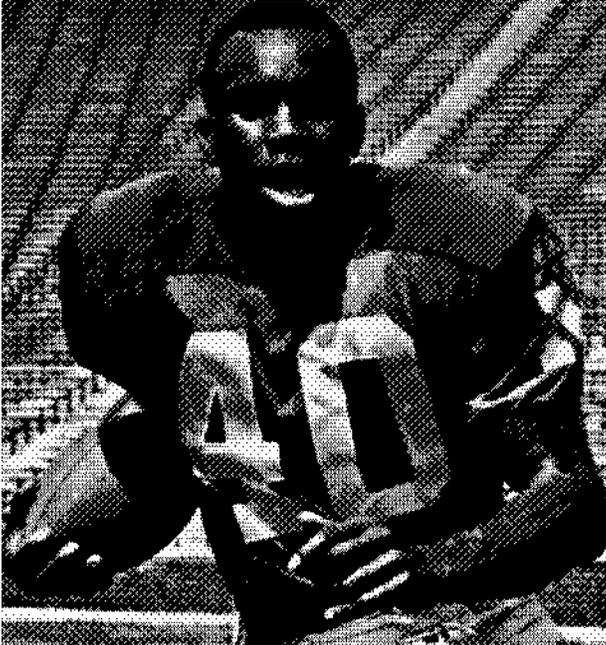
ALUMNI IN



In reading answers to the recent alumni questionnaire, we were struck by the number of business school graduates who have distinguished themselves in sports. On these pages, we present pictures and captions about eleven of them. Perhaps some outstanding people have inadvertently been omitted. If so, let us hear from you.

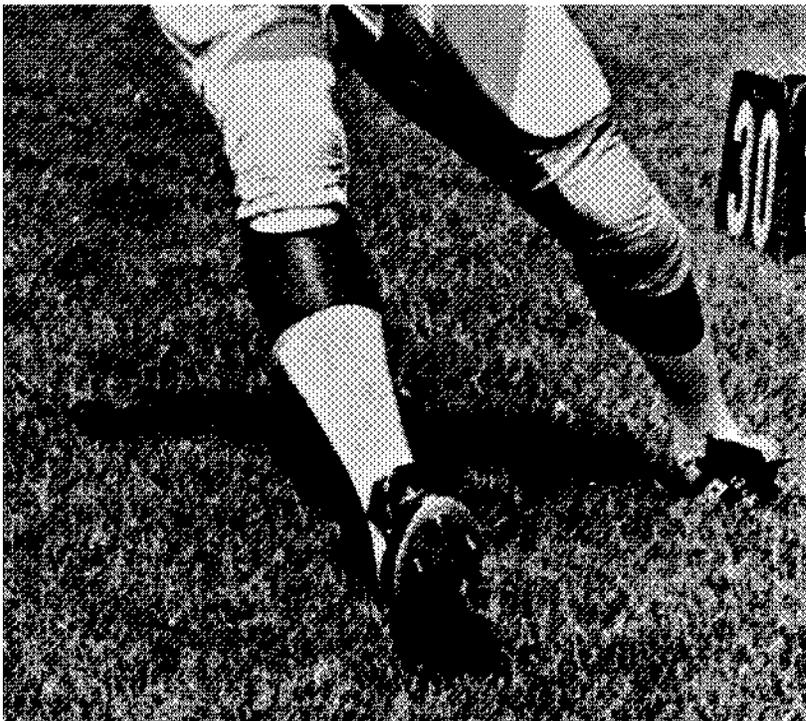
Track Coach

When on the U-M Varsity Track Team, Dave Martin Jr., MBA '61, was a member of five winning relay teams at the Pennsylvania Relays and was named to the NCAA All American Track Team in 1961. After graduating from the Business School, Dave did graduate work in education at UCLA, and continued running and competing for that year with the Los Angeles Track Club. He then coached track and cross country running at Bonita High School in LaVerne, California, before coming to the U-M as Assistant Track Coach in 1963. He was named Head Track Coach here in 1968. Dave says he first became interested in track as a high school student, when he was coached by Don McEwen, BBA '53. For more about Don, turn to page 6.



Pro-Football

Ron Johnson, BBA '69, the top draft choice of the Cleveland Browns this year, has signed with the Browns. While a student at the Business School, Ron garnered practically every athletic honor available: he was voted the top Michigan senior athlete, Michigan's Most Valuable Football Player (twice) and the Big Ten's Most Valuable Football Player. In addition, he was Captain of the football team, broke all of Michigan's rushing records, set or tied eight Big Ten records, and was an All-American halfback. He also won the Big Ten Conference Medal of Honor this year. The medal goes to the athlete at each Big Ten school who demonstrates the greatest proficiency in scholarship and athletics. Ron also received a Leadership Award from the School of Business Administration at the Annual Honors Banquet this spring.



Pro-Golf

John Schroeder, BBA '68 (not pictured) came to Michigan on a full golf scholarship, and was on the varsity golf team from 1966 until he graduated. He was elected Captain of the team in 1968 and was named 2nd team All-American that year by the NCAA golf coaches. After graduation, John worked in a bank and a brokerage house before turning pro in late March. He played in the 1968 U.S. Open as an amateur, was runner-up in the Pacific Coast Amateur and was low amateur in the 1969 Los Angeles Open with a score of 288. As a pro he's played in the Texas and Western Opens but, he says, "I have yet to make any money." John plans to play golf as long as it's "economically feasible and fun."

*Business Manager for
Intercollegiate Athletics*

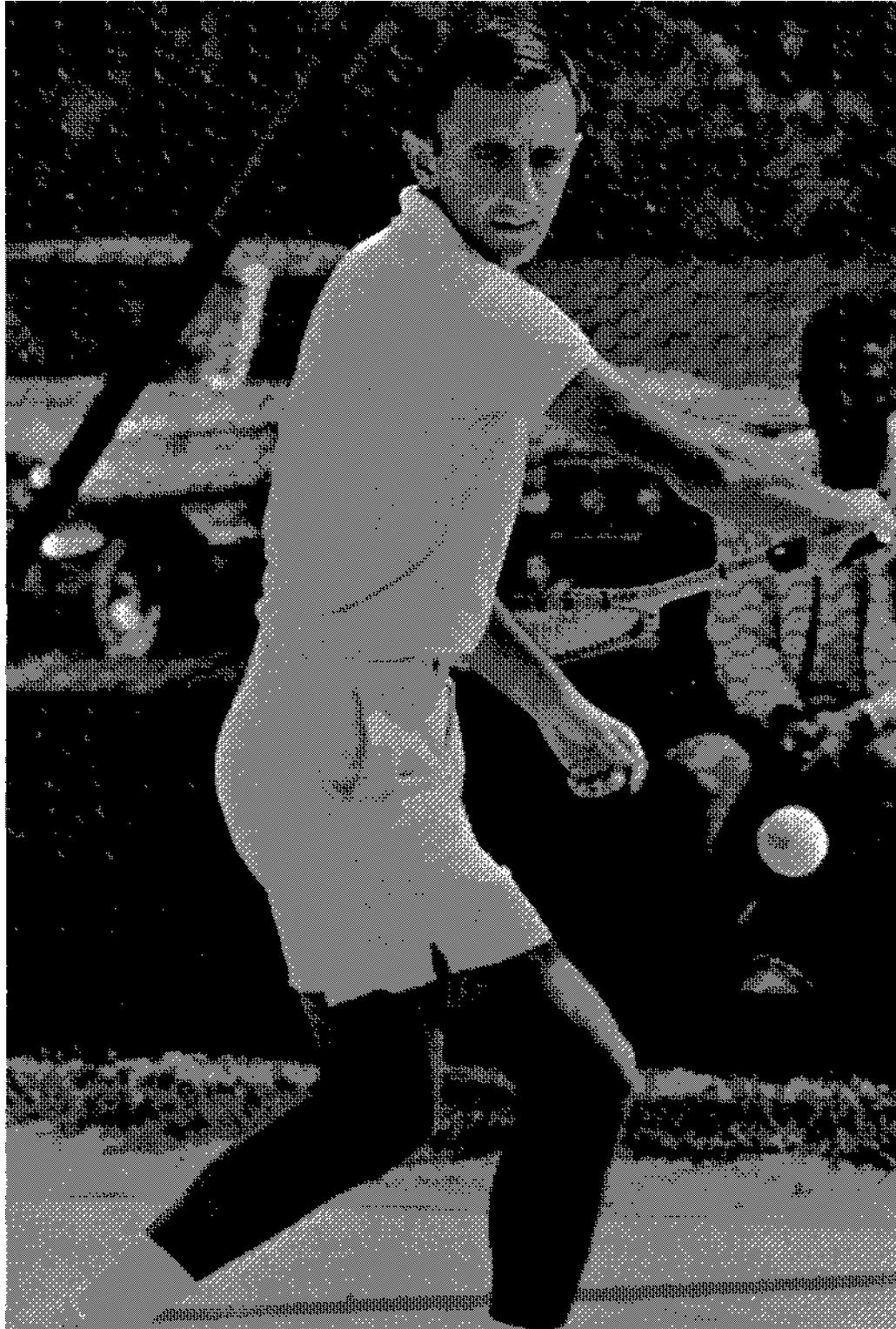
David H. Strack, BBA '45, MBA, '46, is pictured (left) in his days as Head Basketball Coach at the U.M. (Pictured with him is Bob Cantrell). Dave has recently taken over as Business Manager for Intercollegiate Athletics at the U.M. His duties include the administration of the athletic plant and the management of some fifty employees. He also assumes some of the responsibility for conducting the athletic program, which has a budget of about two and a half million dollars and an income of about the same amount. Perhaps the most challenging part of the job, he says, is "trying to keep the budget in some semblance of balance in this day of rapidly rising costs." While a student at the Business School, Dave played football and guard for the U-M basketball team. He coached basketball as an assistant coach at Michigan for eleven years and was then appointed Head Basketball Coach at the University of Idaho. In 1960, he returned to the U-M as Head Basketball Coach, a position he held for eight years. Dave says the highlights of his career include coaching three Big Ten Championship Teams (in 1964, '65 and '66), winning two NCAA Regional Titles in 1964 and '65 and being a finalist against UCLA for the National Championship in 1965.



Track

Don McEwen, BBA '53, held more distance running records than any other Michigan track man when he was a student at the Business School. After graduation, he joined Shell Oil of Canada as a sales trainee, but switched to coaching track in September of 1955. In 1958, he joined the Ann Arbor Public Schools as a math teacher and assistant track coach-later he taught business subjects and was the cross country coach at Pioneer High in Ann Arbor. He stopped coaching in 1962 to become an education and vocational counselor at Pioneer High School where he is now chief administrative officer for the class of 1971.





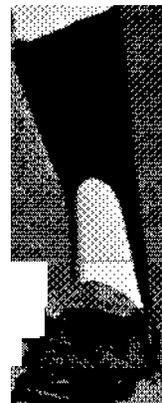
Tennis Champion

Mark Jaffe, BBA '57, MBA '58, played varsity tennis in 1955, 1956, and 1957 and won Big Ten titles all three years. In 1957, his team won the NCAA championship, the only Big Ten team ever to do so. Mark has won the State of Michigan singles championship five times and doubles championship four times. Last year he was the State of Michigan champion in both singles *and* doubles. He is treasurer of several affiliated companies, including the Valley Oxygen Company, Bay City Inns and the Valley Construction Company, all of Bay City, Michigan and Thermal Concentrates, Inc. of Saginaw; as well as being a Trustee and Vice-President of the Board of Education of the Essexville-Hampton School District. Mr. Jaffe stays in training by playing tennis two to three times every week during the year. (Photo by Robert Parks)



Pro-Baseball

Bob Gilhooley, BBA, '66, MBA '67, first remembers playing baseball at around seven years of age, but says he has heard rumors that his father bought a ball and glove for him at birth. In any case, he played baseball three years for the U-M, and was elected team captain and most valuable player in 1966. Then, he says "I signed with Detroit after the free agent draft in my senior year. I was at Statesville, N.C. in the Western Carolina League where I played shortstop and batted .308. That winter I had a shoulder operation and spent the next year recuperating while at Rocky Mount, N.C. in the Carolina League. I saw limited action at 2nd base and 1st base and batted .230 mostly as a pinch hitter. In 1968 I was assigned to Montgomery, Alabama, Class AA. Here I batted .272, ninth in the League, made the All-Star Team and led the 2nd basemen in fielding. I hit 13 home runs and had 48 RBIs. The last week of the season I injured my knee and had it operated on over the winter. This year I am with the Toledo Munhens (Class AAA). I have not gained a regular berth yet but am being used mainly as designated pinch hitter, which is a new role being tried out in the International League for possible use in the major leagues someday." During the off season, Bob does substitute teaching in Skokie, Illinois. He plays the piano and bass guitar, reads and writes music and relaxes by "banging off rock and roll tunes." This winter Bob plans to get registered as a securities broker through a six month training program with a national brokerage house.





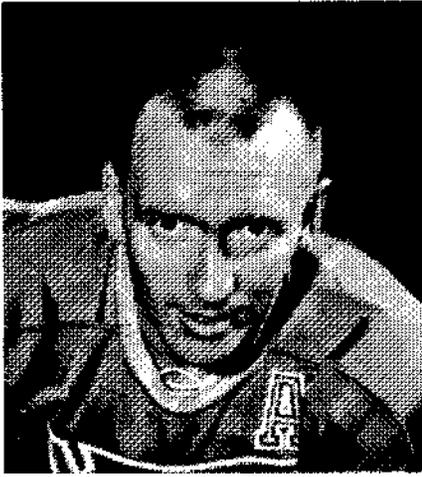
Pro-Hockey

Gordon Wilkie, BBA '64, MBA '66, played pro-hockey for the Cleveland Barons of the American Hockey League during the winters of 1965 and '66, and completed work for his MBA in the summers of those two years. He then joined the San Diego Gulls, a new team in the Western Hockey League, and played with them through the 1968 season. Now retired from pro-hockey, Gordon is employed by the city of Regina, Saskatchewan, Canada as Classification Officer in the Personnel Department. He is also doing some minor hockey league officiating. In 1964, while playing hockey for Michigan, Gordon won the Scoring Championship, the Most Valuable Player award for both the team and the League, set a Michigan record for assists, made the All-American team and won the Big Ten Conference Medal for Michigan.

Football Coach

Marvin Nyren, BBA '58, coached high school football for nine years in the Maine Township High School System in Park Ridge, Illinois; then joined Len Jardine as an assistant football coach at Brown University. His coaching responsibility was the Offensive Line, and he also recruited in the greater Chicago area. He says the lack of athletic scholarships in the Ivy League (all financial aid received by Ivy League students is based on *individual need*) makes the recruiting of student athletes, particularly football players, difficult. However, Brown has put heavy emphasis on recruiting lately and in the coming season will introduce the first results of the recruiting efforts. "Big Ten football," says Marvin, "is much stronger than that played in the Ivy League. Without spring practice and athletic scholarships, the Ivy League will never be able to compete with the Big Ten." Marvin reports that he has just left coaching ("a most difficult decision") to enter the family-owned business of R. Nyren and Company in Chicago. The company is engaged in the manufacturing of textile trimmings. To keep his interest in sports, Marv expects to take an active part in the sports activities of his four children, and also hopes that the free time he will have on weekends will make it possible for him to return to Ann Arbor to see a Big Ten football game. During his student years at Michigan, he was a letterman in football three times.





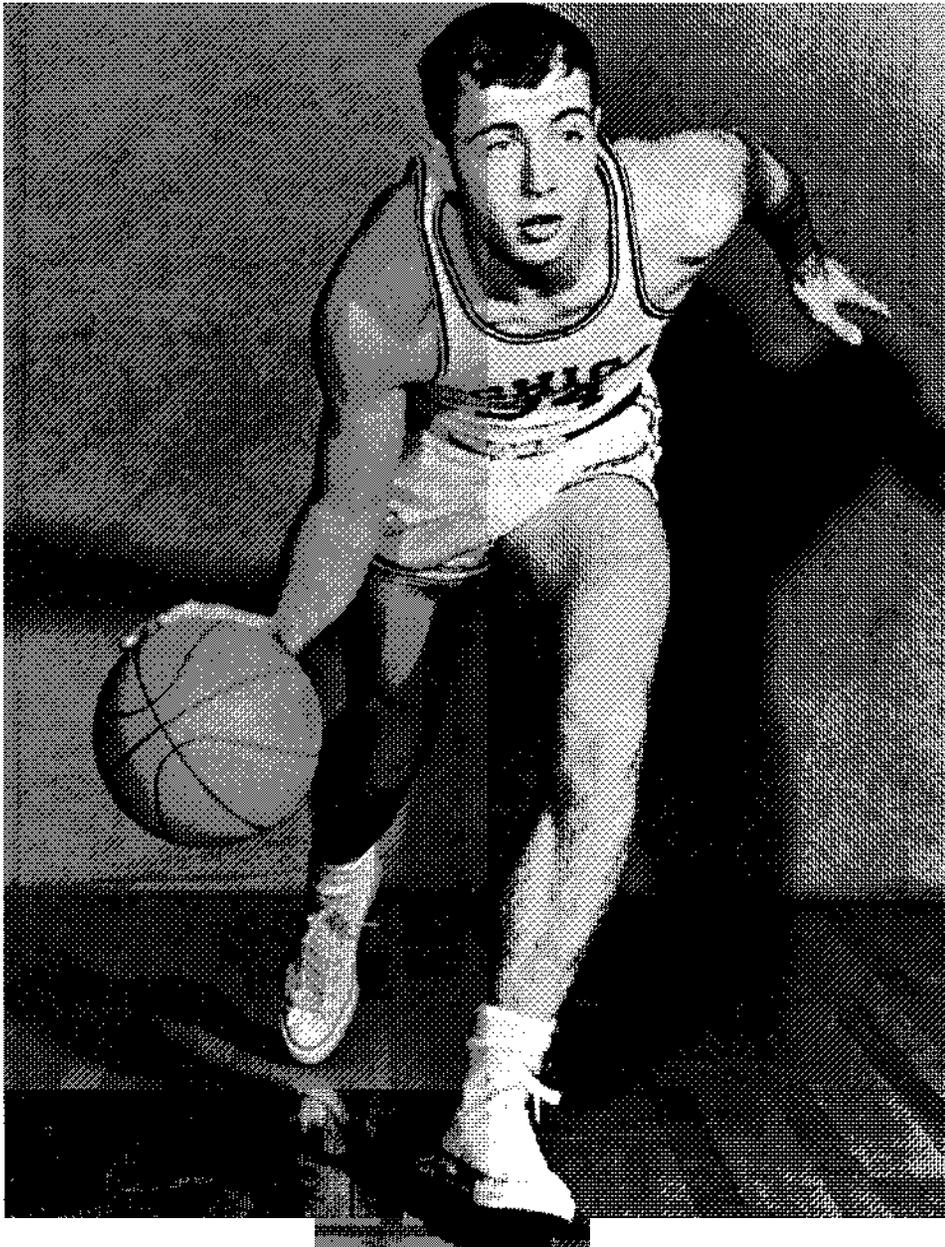
Pro-Hockey Player

Gordon "Red" Berenson, BBA '62, MBA '66, came to Michigan on a hockey scholarship, turned pro during his senior year when he began playing with the Montreal Canadiens. He played for the Montreal Canadiens for four years; New York for 1 1/4 years, and is now with the St. Louis Blues of the National Hockey League. As a team member of the St. Louis Blues, he played in the Stanley Cup finals in 1968 and 1969. Previously, he had also skated for the Stanley Cup Champions in

Montreal. For the past two years, Red has won the Most Valuable Player award in the West Division of the National Hockey League, and also has been chosen All Star Center in the West Division for the past two years. Last November, Red scored six goals in one game against the Philadelphia Flyers to tie the all time record. During his senior year at Michigan, Red was captain of the Varsity Hockey Team, and was generally considered one of the greatest hockey players in Michigan's history.

Pro-Basketball Player

John Clawson, BBA '66, was a member of the champion Olympic Basketball Team which won the Gold Medal in Mexico City in the summer of 1968. He began his pro-career in the fall of 1968, when he joined the Oakland Oaks. During the off season he sells investment properties as a land investment counselor for the Bonadella Land Investment Company, and sells life insurance with the Stanford Insurance Company. He does not try to keep in training off season, but relaxes by playing golf and swimming. He starts training again about two weeks before the opening of training camp for the coming season, and finds that during the season the rigorous schedule imposed upon him takes care of the matter automatically. John played on the U-M basketball teams of 1964, 1965 and 1966—the same years as Cazzie Russell. All three years the U-M Team won the Big Ten Championship. It finished second in the nation in 1965 and third in 1964. John's biggest thrills in basketball include: playing in the NCAA finals against UCLA in 1965, playing first string on the Big Ten Championship Team of 1966, making the Olympic Team in 1968, and helping the Oaks win the ABA Championship over Indianapolis this year.



Among Ourselves

An informal collection of items, including news of the faculty, of alumni, and of the school, and assorted other information, opinion or comment that we think will interest you.

Where the action is

All alumni are cordially invited to attend the 1969 Annual Business Conference to be held Wednesday, November 12 under the sponsorship of the Graduate School of Business Administration. This year, the conference theme is "Where the Action is: Business, Education and Government." Conference chairman is Richard C. Gerstenberg, Executive Vice-President—Finance of General Motors Corp. Mr. Gerstenberg is a 1931 graduate of the School of Business Administration, University of Michigan.

Principal speaker for the conference, which will be held from 4 to 9 p.m. in the Rackham Center, Detroit, is the Honorable Maurice H. Stans, U.S. Secretary of Commerce. Lynn A. Townsend, Chairman of the Board of Chrysler Corporation, will be the dinner speaker.

The conference will open at 4 p.m. with a welcome by Floyd A. Bond, Dean of the Business School. His remarks will be followed by talks given by four members of the faculty: Dr. Vern Terpstra of the Department of International Commerce will discuss "Maintaining the American Challenge," Dr. C. Merle Crawford of the Department of Marketing will talk on "A Business Used to Be Factories and Things Like That," and Dr. Thomas J. Schriber and Dr. W. Allen Spivey, both of the Department of Statistics, will discuss "Managing the Computer Today and Tomorrow."

How to Get the Computer to Solve Business Problems

Twenty seven faculty members from business schools across the country participated this summer in a two week experimental workshop on

the use of computers for the solution of problems in business.

The workshop was co-sponsored by the Business School and by the American Association of Collegiate Schools of Business and financed by a grant from International Business Machines. It was designed specifically for faculty members who currently teach in schools offering the M.B.A. and who are interested in using digital computers as problem-solving tools to enhance the teaching process. No prior experience in computer use or programming was expected of participants.

Workshop director was Thomas J. Schriber, associate professor of statistics at the Business School. The program was divided into four phases. First, participants were introduced to the principles of flowcharting. This was followed by a discussion of the role of a programming language, basic steps in processing a program on a computer and a demonstration of computer use via teletypewriter.

In Phase 2, the basics of FORTRAN, a computer language, were taught. Participants were then given a set of eleven fully-documented FORTRAN case studies that illustrated fundamental business applications of the computer. These case studies were developed by Dr. Schriber and published in July. They start with basic computational examples and move through random number generation to the application of Monte Carlo techniques in management science. Careful study of these examples (Phase 3) prepared students for Phase 4, in which they were asked to develop one or more documented case studies illustrating application of the computer in an area of interest to them. Dr. Schriber reports that the case studies developed by workshop participants will be compiled into book form.

The full facilities of the Computing Center of the University of Michigan, which include two IBM 360/67 computers, were made available to workshop participants. Present plans are to hold a similar workshop at the University of Michigan next summer.

Hildebrand Fund Names Two Scholarship Recipients

Robert J. Hopkins, a sophomore at The University of Michigan, and John B. Thomas, a second year M.B.A. student, will receive scholarships this year from the W. O. Hildebrand Endowment Fund for Insurance Education.

The Fund is intended to foster, through education, professionalism among those engaged in the selling and servicing of property and casualty insurance. It is named for W. O. Hildebrand, now living in partial retirement, who spent 30 years as the first full time manager of the Independent Insurance Agents of Michigan. In 1939, he persuaded the State Legislature to adopt a qualification examination for insurance agents, one of the first of its kind in the country. In 1940 he published the first edition of the Michigan Insurance Reference Manual, which in updated form is still the basic text for the qualification examination.

In view of Mr. Hildebrand's deep commitment to insurance education and his affection for the University of Michigan which he attended in the 1920s, his friends decided to honor him by establishing an endowment fund in his name. William T. Dobson, M.B.A. '48, of the Dobson-McOmber Agency, is chairman of the Finance Committee for the Fund, which is being compiled through private contributions and supported by the Independent Insurance Agents of

Michigan. It provides income to be used in offering scholarships to U-M students headed for careers in property and casualty insurance, as well as to promote research in the insurance field and to underwrite educational institutes and clinics for insurance personnel.

Blue, Not Drab

The American Association of Collegiate Schools of Business has adopted a new color, sapphire blue, for its academic costume. AACSB President Floyd A. Bond, who is also Dean of the Business School, announced the change at the AACSB annual meeting in Detroit, which was attended by about 800 people. The official color before had been "drab" which, said Dean Bond, has "several inappropriate connotations. The new color is a step forward in projecting a more appropriate image of business schools and business."

Dean Bond also announced new accreditation standards, emphasizing qualitative rather than quantitative measurements, which were adopted unanimously by the 142 member institutions of the AACSB following three years of intensive study.

During Dean Bond's administration, the AACSB has cooperated with the Committee for Economic Development in sponsoring four regional conferences for young executives. It has also started a statistical service on management education which is expected to become the nation's leading center for accurate information on management education.

Monroe Street Journal

The editors of our student newspaper have established a special alumni subscription rate of \$4.00 per year for eight issues. Alumni wishing to subscribe should send their name, address and personal check payable to the *Monroe Street Journal*, to the Editor, *Monroe Street Journal*, Graduate School of Business Administration, The University of Michigan, Ann Arbor 48104.

Alumni Notes

Gary B. McCombs, M.B.A. '68 and Michael J. Willbur, M.B.A. '65 have received Elijah Watt Sells awards on the May, 1969 uniform CPA examination which is now given in all 50 states. The Sells Awards are made to CPA candidates who receive the highest grades in all parts of the examination. Gary and Michael were among the 27 top scorers out of a total of 17,958 candidates.

An Indiana University publication recently reported on a study of key executives in 71 of the largest U.S. corporations. Of those 71, 27 had vice presidents who were U-M alumni. The next highest number (25) were Yale alumni, and third was Harvard with 22. Of the presidents and board chairman of the 71 corporations, four were Michigan alumni, seven were Yale alumni and three graduated from Harvard. Among Big Ten schools, Purdue and Wisconsin were represented by 12 vice presidents and Illinois by 10.

The Great American Memo

United Press International reports that a paper company has initiated a contest to find great American memos. Experts helping with this contest classify memos as follows:

Explanatory, including copout memos, why-I'm-not-to-blame memos, new procedures memos.

Literary and/or obscure memos, including I-write-great-memos memos, intentionally obscure and unintelligible memos.

Zap memos. These include nasty memos, why-you-are-my-subordinate memos, we-regret-to-report memos and other below the belt types.

Humorous or idiot memos. These memos identify themselves, as in this example of the idiot memo from a quality control manager to his secretary: "Due to the confidential nature of the information involved in the attached report, type, but do not read."

Master's Thesis Becomes Source Book

A master's degree thesis by Paul A. Campbell, B.B.A. '51, M.A.S. (with distinction) '68, has become a major reference work for people who handle variable annuities. This form of preparing for retirement income, fairly new to the insurance field, combines some aspects of both insurance and securities.

Campbell, who is assistant actuary at Connecticut General Life Insurance Company, takes a comprehensive look at the variable annuity in the 70 page booklet. He combined information gleaned from 50 to 100 different articles about the subject with information he had gained from conversations with other actuaries. In addition, an appendix contains technical aspects of the variable annuity. The book is in a loose-leaf binding, so changes made as SEC or state insurance laws are altered can easily be incorporated into it.

The first printing of the book, entitled "The Variable Annuity," went to Connecticut General's sales force as a learning tool. The Society of Actuaries, of which Campbell is a Fellow—heard about the work, and decided it would be a good source of information for actuarial examinees to read. It is now required reading for the life actuarial examinations.

45 Business Students Hear Dr. Paul McCracken Speak

Dr. Paul McCracken, Chairman of President Nixon's Council of Economic Advisers, spoke to the Detroit Economic Club recently on the topic "Beyond 1969." Presiding officer for the day, Dean Floyd A. Bond, pointed out that Dr. McCracken has served four Presidents of the United States as an economic advisor: Presidents Eisenhower, Kennedy, Johnson and Nixon. Dr. McCracken is on leave from the U-M Graduate School of Business Administration, where he is the Edmund Ezra Day University Professor of Business Administration. Over one thousand people attended the Cobo Hall meeting to hear Dr. McCracken. Among them were 45 business school students, who traveled to Detroit by bus. Five Detroit-based companies sponsored tables at the luncheon for these students.

Alcoa Gives \$20,000

A two-year grant of \$20,000 has been given to the Business School by the Alcoa Foundation to support instruction and research in industrial marketing. Charles N. Davisson, Professor of Marketing, will use the funds to strengthen course offerings in industrial marketing, to assist doctoral candidates in writing dissertations in this field, and to make research and teaching materials available to other business schools.

Prof. Davisson has been a member of the Business School's marketing-faculty since 1943. Among his major publications is "The Marketing of

Automotive Parts," a comprehensive industry study. His most recent study, with Prof. Ross Wilhelm, is "Economic Effects of the Wage-Price Guideposts." At present he teaches graduate courses in industrial marketing and procurement.

In making the presentation, Alcoa district sales manager John W. Collins said "We are pleased with the work that is going on in industrial marketing in the Business School and want to assist Prof. Davisson in his endeavors. By making this grant to the University of Michigan, we hope to facilitate his research and instructional activities."

More Friends, Fewer Strangers

First year M.B.A. students were beneficiaries this year of a program designed by Student Council to make new students feel at home and to reduce the number of "strangers" they encounter in the corridors and classrooms of the Business School.

To begin with, Student Council gave each new student a list of his classmates, including information about where they come from and their undergraduate university. In addition, entering students were divided into groups of six, and each group was assigned a "leader" who is a second year M.B.A. student. A welcoming memo from Student Council explained this, and asked each student to telephone his group leader who would then arrange for the group to get together. Such meetings will help newcomers get to know their classmates as well as some of the second year M.B.A. students whom they might not meet under ordinary circumstances. The memo also reminds entering students that they in turn will be asked to function as group leaders next year.

Another way to make newcomers feel welcome was Dean Bond's annual reception held this year in the ballroom of the Michigan League. Over 600 people attended, including new and returning students, all the Business School faculty, and Ph.D. students at the Business School.

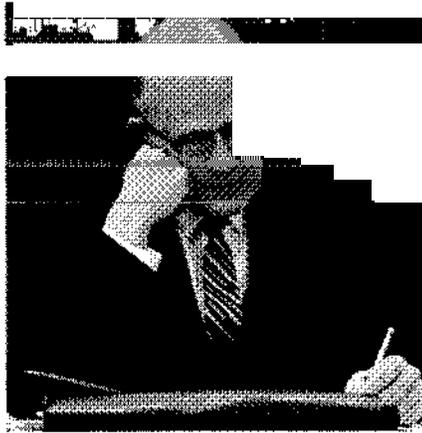


Alcoa District Sales Manager John W. Collins presents a check for \$10,000 to U-M President Robben Fleming, far right. The check represents the first year's installment of a \$20,000 grant given by Alcoa to support instruction and research in industrial marketing at the Business School. Others in the picture, from left, are Charles M. Davisson, professor of marketing, Ray Ruth of Alcoa, and Floyd A. Bond, Dean of the Business School.

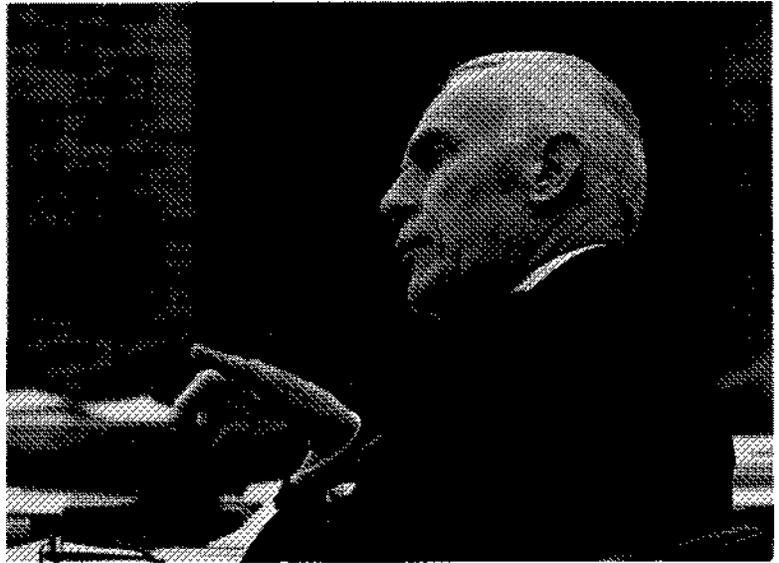
How International are Michigan Business Firms?

The Institute for International Commerce of the Graduate School of Business Administration, in cooperation with the Michigan Department of Commerce, is undertaking a census of the international involvement of Michigan business firms. The study will assess the total impact of international business on the state's economy and will provide data on the types of international business engaged in by Michigan firms as well as which firms are doing such business. Dr. James D. Goodnow, program director and Mrs. Sharon Selander, research associate, are coordinating the research efforts for the census.

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Center picture: Members of the newly established Visiting Committee of the Graduate School of Business Administration gather around the table in the Regents Room for their first meeting.



Above. Ravmonil T. Ferring. Clairriian oi the linaiil, Detroit Bank and i rust Coiupaii).



VfWmwrwt,

Lynn A. Townsend, Chairman oi the Board, Chiller Corporation



Walter E. Schirmer, President and Chairman of the Board, Clark Equipment Company (right) and Robert Roberts, Assistant to the Dean.



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© Karsh, Ottawa

H. Bruce Palmer

An Orderly Society

H. Bruce Palmer, President of the National Industrial Conference Board Inc., gave the fourth annual McNally Memorial Lecture October 17 in the Rackham Lecture Hall. Topic of his speech was "Toward an Orderly Society." He was introduced by Dr. Robben W. Fleming, President of the University of Michigan.

Mr. Palmer, who received his B.A. from the University of Michigan in 1931, was President of the Mutual Benefit Life Insurance Company before becoming President of the National Industrial Conference Board in 1963. He has a long and distinguished record in public service, and is currently serving on the board of directors of numerous public service organizations, including Boys' Clubs of America, Board for Fundamental Education, National Fund for Graduate Nursing Education, International Executive Service Corps, and The Council for Latin America. In addition, Mr. Palmer has received many awards, among them four honorary degrees, the title "Insurance Man of the Year," and the Brotherhood Award of the New Jersey region of the National Conference of Christians and Jews.

The McNally Lectures honor the memory of Regent William K. McNally and are supported by an endowment fund established by his friends to perpetuate his name. The lectures are sponsored by the Graduate School of Business Administration. Dean Floyd A. Bond is chairman of the university-wide committee, which consists of Mrs. William N. Atkinson; Arthur W. Bromage, professor of political

Faculty News Notes

Sidney L. Jones, professor of finance, has been appointed senior staff economist for the President's Council of Economic Advisers. He is working under Dr. Paul McCracken, Chairman of the Council, and will be on leave of absence for the coming year.

Vern Terpstra, associate professor of international business, was elected secretary and member of the executive committee of the Association for Education in International Business. He also gave a paper on "International Marketing" at the annual meeting of the American Marketing Association.

Arthur F. Southwick, professor of business law, gave a seminar for graduate students at the University of Chicago on "Legal Controls for the Quality of Hospital and Medical Care. He also spoke on "Liability of the Hospital for Standards of Medical Care" and "Legal Organization of the Medical Staff" at the Hospital Medical Staff Conference, University of Colorado School of Medicine.

Articles published by *J. Philip Wernette*, professor of business administration, in recent months include "The Thrust of Fiscal Policy," *Business Economics*, May; "Factors in the Business Outlook," *Banking*, June; "The Perils of Prosperity," *Los Angeles Times*, August 13. Among the several public addresses presented by him recently was his second appearance in the Distinguished Lecture Series of the United States Naval War College in Newport, Rhode Island, where his topic was "American Economic Growth: Past and Future."

David J. Brophy, assistant professor of finance, has completed a study sponsored by the Michigan Department of Commerce through the Bureau of Business Research. The study is entitled "Mortgage Credit in Michigan: Economic and Legal Factors."

Allen L. Mayer son, professor of insurance, spent May and June in

science; Hansford W. Farris, professor of electrical engineering; Dick A. Leabo, professor of statistics; Paul W. McCracken, Edmund Ezra Day University Professor of Business Administration; and Allan F. Smith, vice-president for academic affairs.

Santiago, Chile under the auspices of the Agency for International Development, providing technical assistance for a cooperative life insurance company and a cooperative automobile insurance company, and helping to organize a cooperative fire insurance company. While in Chile, Prof. Mayerson made a study of the actuarial aspects of Chile's social security system and learned how to live in a society which has averaged a 25% rate of inflation for more than 20 years. Prof. Mayerson will be returning to Santiago in January for a three month stay, and will also be providing technical assistance to cooperative insurers in Guiana and Ecuador en route.

M. H. Waterman, professor of finance, spent three weeks this summer at the College of Technology in Portsmouth, England, working with them on the establishment of an M.B.A. degree program.

Prof. Karl G. Pearson spoke this summer to the Georgia Realtors Institute on "Urban Growth Patterns" and to the United Northwest Realty Association on "Computerized Investment Analysis."

Gunter Dufey, assistant professor of international business, has completed a monograph entitled "The Eurobond Market: Function and Future." It has been published by the University of Washington Graduate School of Business Administration as International Business Series No. 7, Studies in Finance, University of Washington Graduate School of Business Administration, Seattle.

Mary C. Bromage, associate professor of written communication, conducted seminars on functional communication for several government agencies in Washington this summer. She also conducted seminars on communication at the Detroit office of Lybrand, Ross Bros, & Montgomery Public Accountants and at the Ford Motor Company for executive level participants.

David L. Lewis, professor of business history, has written an article for the Public Relations Journal entitled "Henry Ford, Publicity and a One Million Dollar Libel." The article recalls Ford's million dollar suit against the *Chicago Tribune*, which in 1916 described him as an "anarchist" and an "ignorant idealist." He won the suit and was awarded a judgment of six cents.

Prof. Lewis has also reviewed several books on business history for the *Detroit Free Press, Business History Review* and the *Michigan Business Review*.

Douglas A. Hayes, professor of finance, published an article "The Case for Professionally Qualified Bank Directors," in the spring issue of *Bankers Magazine*. In addition, he has been elected to the Board of Trustees of the Institute of Chartered Financial Analysts as well as to the professional grievance committee of the same organization.

Dick Leabo has been invited by the board of trustees of the Marquis Biographical Library Society to become an advisory member. One privilege of the advisory membership is the right to nominate individuals of merit to *Who's Who in America* and other Marquis publications.

Robert L. Dixon, professor of accounting, has been named a visiting professor of accountancy at North Texas State University. He will serve under a "distinguished professorship" grant from the American Institute of Certified Public Accountants. The Institute program was established in 1967 to advance accounting education and strengthen relations between business schools and the accounting profession. An annual grant is awarded a selected university for the salary and other expenses of a visiting professor chosen by the University. Dr. Dixon is a CPA and has been a professor of accounting at the U-M Graduate School of Business Administration since 1948.

Six Research Papers at One National Meeting

Members of the statistics and management science faculty were responsible for six research papers at the national meetings of the American Statistical Association in New York recently.

Four of the papers were given by Dr. W. L. Williams, who has just joined the faculty as a professor of statistics after 10 years on the staff of the Mathematics and Statistics Research Center at Bell Laboratories.

In addition, assistant professor Roger Wright gave a paper entitled "A Bayesian Analysis of a Linear Functional Relation," and a paper entitled "Analysis of Multinomial

Data with Partially Informative Categories" was given by associate professor W. J. Wroblewski and assistant professor M. J. Karson.

New Books by Faculty

Introduction to Marketing Management, a text with case histories to illustrate fundamental issues in marketing management, was published by Richard D. Irwin Inc. last spring. The book is written by three members of our faculty: Stewart H. Rewoldt, professor of marketing; James D. Scott, the Sebastian S. Kresge professor of marketing, and Martin R. Warshaw, professor of marketing. The major sections of the book deal with marketing strategy, demand analysis, product strategy, distribution strategy, promotional strategy, pricing strategy and marketing planning.

Research and the Credibility of Estimates, by Dr. Rex Brown, associate professor of business administration, was published this year by the Harvard University Graduate School of Business. It is based on research for which Dr. Brown won the 1967 Award in Applied Statistics from the British Institute of Statisticians. Dr. Brown is also the coauthor, with R. D. Buzzell and D. F. Cox, of the book *Marketing Research and Information Systems*, published this year by McGraw Hill.

The Future Environment for Marketing, by C. Merle Crawford, professor of marketing, was published by the Bureau of Business Research at the University of Michigan. From current ideas about the shape of the future for consumers and producers of American goods, Professor Crawford has assembled the least speculative and examined their bearing on marketing operations and the environment of the market. Predictions Prof. Crawford analyzes are selected on the basis of man's ability to change, his desire to change, and the absence of restraints preventing such change.

Fundamentals of Flowcharting by Thomas J. Schriber, associate professor of statistics, is being published this fall by John Wiley & Sons Inc. As stated in the preface "The person who proposes to develop

a capability for using the computer as a problem-solving tool faces a twofold task: 1) He must learn how to formulate problem-solving procedures in such a way that they can be carried out within the restricted framework imposed by the computer and 2) he must learn how to communicate problem-solving procedures to the computer so that it, in turn, can execute them." The text of this book concerns the first of these two tasks.

New editions of faculty books include:

Manufacturing Management by Franklin G. Moore, professor of industrial management. The fifth edition of this textbook was published by Richard D. Irwin, Inc.

Production Control by Franklin G. Moore and Ronald Jablonski. The third edition of this textbook was published this year by McGraw Hill. Mr. Jablonski is a new co-author for this edition.

Business Law, Text and Cases, by Gerald O. Dykstra, professor of business law. The third edition of this text, containing some new cases and problems compiled from adjudicated cases, was published in July by Pitman Publishing Company.

Basic Statistics by Dick Leabo, professor of statistics. The third edition of this book was published in August by Richard D. Irwin Inc.

Grants to Faculty

Joseph W. Newman, professor of business administration, has received a second grant of \$10,000 from the A.A.A.A. Educational Foundation Inc. in support of his continuing research on consumer purchase decision processes for new automobiles and major household appliances.

James R. Taylor, assistant professor of marketing, has received a research grant of \$9,000 from the Consumer Research Institute, Inc. to support his work on consumer perceptions and preferences. The grant includes a fellowship for Mrs. Mary Lou Roberts who is working on her dissertation in this field under the direction of Dr. Taylor.

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PLACEMENT

PICTURE

M.B.A. candidates who market their services with vigor can accumulate so many offers that the decision-making process becomes a real test of executive acumen. In each of the last five years, about twice as many employers have made recruiting visits to the School as there have been M.B.A. candidates registered for jobs.

About one third of the 450 companies who have recruited at the School in the past three years are represented in Fortune's current list of 500 Industrials. In addition, 26 of the 50 largest commercial banks and 33 of the 50 largest life insurance companies were represented. Since some of these employers are seeking candidates by the dozens and others by the hundreds, demand far exceeds supply.

Although a few graduates obtain as many as 15 offers, developing this many alternatives amounts to "majoring in placement" during the last term in School. More typical is a range of 4 to 6 offers, though some men find the first offer attractive enough to accept, and discontinue placement activity at that point.

Salaries have risen rapidly, accompanied by the moans of employers who not only must meet the market level of new graduates but must also integrate current salaries

into their existing salary structure and keep not-as-recent grads satisfied. The median accepted offer for spring 1969 was \$12,000; nearly, double that of 1960. Those for the previous nine years were as follows:

1968	\$10,920
1967	10,200
1966	9,000
1965	8,400
1964	8,100
1963	7,500
1962	7,020
1961	6,600
1960	6,120

M.B.A.'s with a technical undergraduate degree (engineering, physics, chemistry or math) command higher salaries (see Table 1).

Our black M.B.A. candidates have had a wide range of placement opportunities, in keeping with the national trend during the past several years. Most employers urge heavier enrollment of black students to make it possible to fulfill their desires to expand opportunities for qualified candidates.

For lady M.B.A.'s, the 1969 median offer was \$11,000. Demonstrating typical feminine practicality in financial matters, the gals accepted jobs with a median salary of \$12,000. Many employers are enthusiastic about distaff M.B.A.s who can convince recruiters that a business career is the permanent objective (at least temporarily!)

Fewer than half of the B.B.A. graduates are active candidates in the job market upon graduation. Most plan to go on for graduate work, or into military service. For those B.B.A.s who accepted employment this year, the median acceptance offer

Table 1—Salary Differentials for M.B.A.'s with Technical Backgrounds

Salary Range	OFFERS			
	N Undergrad	on-tech Undergrad	Tech Undergrad	Combined
Top tenth	\$1125	\$1170	\$1146	\$1146
First quarter	1050	1100	1083	1083
Median	1000	1024	1000	1000
Third quarter	958	975	960	960
Low tenth	917	937	917	917
	ACCEPTANCES			
Top tenth	\$1177	\$1250	\$1190	\$1190
First quarter	1073	1100	1083	1083
Median	1000	1033	1000	1000
Third quarter	975	958	975	975
Low tenth	954	920	925	925

was \$9,300, and comparable figures for the previous nine years are:

1968	\$8,400
1967	8,700
1966	7,500
1965	7,080
1964	6,720
1963	6,300
1962	6,000
1961	5,700
1960	5,400

emphasis on potential and less on actual experience, as in the past, to staff these rapidly growing activities. The demand for actuarial graduates is perhaps the most intense of all. More than 50 companies made spring recruiting visits to the School this year to interview about a dozen available candidates.

A five-year study of the destinations of our MBA graduates by field of

During the same five-year period, the Placement Office has surveyed graduating MBA's each year on the factors they took into account in making job decisions. Consistently, "type of work" and "opportunity for future growth" head the list. The 1969 ranking of factors follows:

- 1st Type of Work
- 2nd Opportunity for Future Growth
- 3rd Type of Industry
- 4th "My Type of People"
- 5 th Salary Level
- 6th Location
- 7 th Size of Company
- 8th Possibility of Draft Deferment

Some of our graduates each year go into "big business" by default, because neither they nor the School can uncover the small business opportunities which they would prefer. At present the School is engaged in a survey of smaller businesses to determine their interest in our graduates and to provide effective ways of getting the parties in touch with each other.

An increasing placement activity is that of assisting first-year MBA's in locating summer employment which will help them make decisions on career fields. Approximately one-third of the employers recruiting at the School ask to interview summer candidates on regular or special schedules. They recognize the value of not only finding candidates for important summer assignments but of using the opportunity to try to bring those candidates who work out well in these assignments in as permanent staff members following graduation. Further, a student who has had a stimulating summer experience may become an enthusiastic "salesman" for the firm by helping to fill the next year's interview schedule.

Continued on back cover

Table 2—Data on Alumni Registered with the Placement Office

Age	Present Salary	Desired Salary
Under 25 - 3.5%	Under \$12,000-26.4%	Under \$12,000-10.3%
26-30 -35 %	\$12-14,999 -26.4%	\$12-14,999 -19.9%
31-35 -15 %	15-19,999 -30.5%	15-19,999 -28.7%
36-40 -15.5%	20-24,999 -H.1%	20-24,999 -25.7%
41-45 -18.5%	25-29,999 - 2.8%	25-29,999 - 7.3%
46-50 - 7.5%	30-34,999 - 2.8%	30-34,999 - 5.9%
Over 50 - 5 %		Up c.z./o

Most of the "traditional" business administration fields, such as accounting, finance, marketing, and production have continued to be well-represented in employers' "take" from the School. Public accounting has continued to attract the largest group of graduates. The increases in banking salaries in the last ten years have lured an increasing proportion of our graduates to that field. Operations research, a relatively new area, is highly attractive to those of our grads who have the necessary quantitative background. Management consulting, either on the management services staff of a public accounting firm or in a consulting firm, is claiming more of our men each year as these firms put increasing

business, industry, or other activity, based on a sample of about 85 per cent, shows the following numbers and proportions:

Manufacturing-Durables	390 (26.6%)
Manufacturing—Non-Durables	215 (14.6%)
Transportation, Communication, Gas, Electric and Similar Services	28 (1.9%)
Retailing and Wholesaling	16 (1 %)
Finance and Insurance	166 (11.3%)
Business Services (including public accounting)	256 (17.4%)
Other	394 (26.8%)

What factors influence the new **M.B.A.** to take one job over all the others offered? How do today's M.B.A.s define success, and what is their ultimate goal? We chose four outstanding graduates of last spring and asked them these questions. Below, they give their replies.



Clayton Wilhite

What Were You Looking for in Your First Job?

Clayton Wilhite has a B.A. in political science from the University of Michigan, and received his M.B.A. with distinction this spring. While a student, he was a letterman in football for three years, and was elected a member of Phi Beta Kappa. In looking for a job, he went through 25 interviews, eight visits, and received seven offers, all of which he considered seriously before making his choice. He is now working at Foote, Cone and Belding Advertising Agency as an Account Management Trainee, and will be assigned to an account on completing the nine week training program.

Q. What were you looking for in your first job?

A. I sought three factors, none of which is peculiar to one specific industry: first, extensive interplay and communication between individuals. The agency business must have this or die. You must be able to compromise, converse,

mediate, bargain, coerce and lead during every minute of the business day, not only with your client, but more importantly with your co-workers. Account management offered more of this discipline than any other industry. Second, potential. This includes potential for responsibility, leadership, experience and meaningful job content. It is difficult to quantify this but the job choice success hinges on it almost entirely. You must function in an environment that is constantly challenging, you must enjoy and respect your co-workers and superiors and finally, believe that with diligent labor you can ascend to the highest level of the organization. I made my decision to join FCB on a "gut" feeling regarding these factors. Third, superior monetary remuneration—this is necessary because it allows one the finer amenities of life before one is too old to enjoy them and, it frees the individual from a

lifetime dependency on a bi-monthly salary. You must be paid well as soon as you merit it, not after an extended wait for funds or equity to filter down a hierarchy based on age and experience. FCB and advertising in general provide a great opportunity for this.

Q. What made you decide to go into business? What would you say is the real measure of success, and why?

A. The potential for responsibility, challenge, valuable experience and wealth are unmatched by any other profession. This is particularly true today because so many young people are rejecting business because of its reactionary and "establishment" stigma, or because of a present military obligation. It's just common sense to seek an occupation where the odds of your success are the greatest, and in view of the crying needs of industry in the face of mounting rejection by college graduates, business appears to be the most lucrative choice.

Success is not only measured by the individual in a self-evaluation but also by society. I choose to satisfy both parties. My measures are challenge, responsibility and leadership; society's are wealth and position. As long as I choose to compete in the business world I will strive to satisfy all measures and I will consciously consider these measures whenever I make an important decision. To function within this society means to accept its rules, and until I choose to "cop out," I will measure my success by the standards above.

Q. What would you like to be doing 10 years from now?

A. I hope to have a significant management position within the advertising industry. I expect to be paid very well and enjoy my job immensely. I have a deep interest in sports broadcasting and politics and depending on future events, I could also be devoting more of my time to these endeavors. In any case, I will not become so locked in to any profession that I cannot escape if I

lose my enthusiasm for it. Above all else, I will retain my freedom to change if I deem it necessary.

Q. What is your ultimate goal?

A. My ultimate goal is to be the best in my profession. I want to be respected because I perform my tasks well, whatever they may be. I expect to have enough money to make it a secondary concern to me. If I obtain these goals, I will use my power and influence to counsel those young people entering the profession so that they will receive the same opportunities and enjoyments that I will have experienced. The "ultimate" is near term for me, because my profession is oriented toward youth. Hopefully, I can achieve my goals before too long, and allow myself the luxury of contemplating the future.



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David Bussard

David Bussard received his A.B. in economics from Bucknell University, and served two years in the Peace Corps as auditor-consultant for the Peruvian National Cooperative Bank before finishing work for his M.B.A. He is a member of Phi Beta Kappa, and at Bucknell, won the Greitzinger Prize for the highest standing in

economics. He is now an associate consultant on the management services staff of Touche, Ross and Company in Detroit. Before deciding on his present job, he talked with representatives of about 15 companies, visited seven, and received six offers, all but one of which he considered seriously.

Q. What were the major factors influencing you to take this job, as opposed to other jobs you were offered?

A. First, I wanted a broad exposure to the many organizational and environmental situations which produce problems in management control and decision. This goal was best satisfied with a major consulting firm, where engagements include a broad range of organizations (business, government, and private non-profit groups) and questions of marketing, finance, personnel, information systems, organizational structure, and overall planning. Second, I wanted to develop work relationships with stimulating and competent associates, people who are personally and professionally devoted to effecting significant changes and who are genuinely enthusiastic about what they are doing. Third, I was seeking an opportunity for rapid advancement to managerial and decision-making responsibilities. Salary was not a significant factor because the offers were generally within a close range. However, a salary system which offers incentives or bonus supplements is preferable to salary alone.

Q. What made you decide to go into business? What would you say is the real measure of success, and why?

A. I have an academic interest in what business does because of its decisive role in our society. The flexibility and productive power of business are remarkable. I am fascinated by the role of business in the creation and satisfaction of human values and desires.

I am personally attracted to business because of the opportunity to participate in activities and decisions of significance, and because of my desire for a degree of financial independence.

"Success" is a tough one to define. I am impressed by two classical but very different concepts of successful living, the Machiavellian Prince of the West and Zen master of the East. However, for most people, "success" is simply the relative, or proximate improvement of the present involvement with life. This includes enjoying what one is doing, while remaining open to new possibilities. Right now, for me, success means understanding and solving our clients' problems.

Q. What would you like to be doing 10 years from now?

A. If I remain with Touche, Ross, within ten years, I should expect to become a partner. However, statistics say that few MBA's remain for long periods of time with their first employers. Mobility seems to be increasingly an essential characteristic of executives.

I want to avoid apprenticeships and a clearly mapped career path. Long-term plans for life remove both ambiguity and excitement. I am now doing and experiencing things which 10 years ago were unappreciable to me. I hope that 10 years from now I'll be able to say the same.

Q. What is your ultimate goal? To make a million? To be president of a large corporation? To run your own business? Or what?

A. An ultimate goal cannot be something that one can look back upon as a *fait accompli*. There are a lot of things I'd enjoy doing: making a million or several, running my own business, directing a large corporation, serving in the President's Cabinet, running for the U.S. Senate, being Ambassador to Spain, teaching in college, writing poetry, or studying oceanography.

I am impressed by people who continue to be creative even after outstanding accomplishments, people like Picasso, the Beatles, or Charles B. Thornton. I am even more



Douglas Greenwold

Douglas Greenwold, who received his M.B.A. with distinction, also holds the B.S. and the M.S. in chemical engineering from the University of Michigan. While a student, he was twice a letter winner in varsity basketball, was chosen the Michigan C and EN Outstanding Student, won a Groesbeck Scholarship and a Regents Alumni Scholarship and was a Branstrom Prize Winner. He is now a senior staff specialist in new product development for KMS Industries, where he is involved in evaluating market potentials for possible new products and for variations of existing products. Before accepting his present job, he went through 16 interviews, visited 11 firms, and received 10 offers.

impressed with people who are able to transfer creative and productive energy from one field to another, people like Leonardo da Vinci, Thomas Jefferson, or Robert McNamara.

Q. What were you looking for in . . . your first job post-MBA?

A. In a nutshell, I wanted a "mind-expanding" experience. Previous work experience in one of the country's largest and most successful corporations gave me a strong feeling for what I didn't want; namely, a micro-piece of the action. Rather, I much preferred meaningful interaction with several disciplines simultaneously. A job concerned solely with engineering or manufacturing to the exclusion of marketing and finance was not attractive. I was looking for something as close as possible to total immersion. The rationale was twofold. First, I wanted to see early just how far my mind and capabilities would stretch. Secondly, multiple exposure would show me as soon as possible my strongest suit.

My requirements must have been stringent, for most of the companies could not meet them; the remaining few could only partially meet them. This was in large part due to the fact that many of them had fallen victim to rather than remained a master of their own structural momentum. Were it not for KMS, I probably would have had to compromise my expectations, something many of my fellow students were forced to do.

As the following three statements show, the significance of money varies with the situation:

- a. Within a given range, money becomes a factor only when all other things are equal.
- b. When a company drops out of that range on the low side, its offer becomes somewhat of an insult.
- c. As opportunities become more and more unequal, money becomes less and less a determining factor.

Q. What made you decide to go into business?

A. Business today finds itself under increasing criticism and pressure. The media are full of indictments concerning the role of business in the "Military-Industrial Complex," in the ghetto, and in pollution, to name but a few. Much of this criticism is justified. Many students "drop-out" and try to fight externally for change. Others, while recognizing the faults of business, choose to work from within the structure. What most people fail to realize is that each group vitally needs the other to be effective.

For me, the key to our society's survival lies with business, despite its faults. One of the greatest challenges facing us today is how to make our institutions more humane and responsive. To do so will require new breakthroughs in decision making and organizational formats. By necessity, these will have to come from business. I want to do what I can to hasten those breakthroughs.

Q. What would you say is the real measure of success and why?

A. There are two standards of success: your own and everyone else's. Far too many people today are concerned solely with meeting the success standards of others. As a result, they never develop their own. My standards of success are concerned with how I totally live my life. Within this context, business success becomes a subset of a broader definition of success. I much prefer this broader definition of success for it keeps one from resting on any business laurels to the exclusion of other pressing human obligations. The concept of business success becomes relatively unimportant when one sees the number of business "successes" who are really "failures" when compared to the total scope of the word.



Benjamin Koshkin

Benjamin Koshkin received his B.A. in economics from the University of Texas and his B.B.A. from Lamar State College of Technology before coming to the University of Michigan for his M.B.A. While here as a student, he formed his own investment company and last year, was the first prize winner in the Alexander Perry Students' Laboratory Investment Fund Contest. Contestants analyze the existing Perry portfolio of \$10,000 and make recommendations for such changes as appear desirable in the light of existing economic and financial conditions. The money is then invested in accordance with the recommendations of the winning paper. In looking for his first job post-M.B.A., Koshkin went through about 18 placement interviews, made three trips and received about a dozen offers before making the decision to form his own company. He is now vice-president for finance of that company, Precision Lasers, Inc., of Houston, Texas.

Q. Why did you decide to form your own company?

A. I was looking for a challenge—a chance to show what I could do. I decided to start my own company because I wanted to be able to make the decisions. After much consideration, I decided that starting my own company would be much easier than most people imagine. There was the challenge, excitement, the unknown and most of all it looked like fun. In other words, after studying six long years to learn about business, I had a chance to be a businessman. I didn't want to wait any longer. Money was a factor, but only to the point where a company's offer was in the ball park.

Q. What made you decide to go into business? What would you say is the real measure of success?

A. I've been business oriented as long as I can remember. When I was six I was already swapping stamps and coins. When I was thirteen, I graduated to the stock market. Since then it's been undergraduate and graduate school in business,

I don't know what the real measure of success is.

Q. What would you like to be doing 10 years from now?

A. I'd like to be completely self-sufficient. I don't want to be dependent upon anyone. Hopefully my financial investments over the next few years will allow my wife and me to do whatever we want in ten years. In ten years I'd probably like to spend a couple of days a week working on large investment deals, a couple of days teaching investments at a university, and the rest of the week relaxing with my family. During the summer I'd like to travel with the family.

Q. What is your ultimate goal?

A. Besides the typical goals of long life, good health and happiness, I'd like to be a philanthropist. It's hard for me to explain the deep personal satisfaction I gain by giving financially to the needy. I'm not the type to join the Peace Corps or Vista, but since I've always found it easy to make money, I'll make my small contribution to society by giving money as a philanthropist.

"One of the most interesting courses I've taken—maybe the most interesting!"

"The course presented viewpoints not commonly held in middle class America—or on corporate working levels."

"Should be mandatory for all students to take a course where ideas between black and white students can be exchanged freely and discussed intellectually."



These comments appeared in evaluation sheets filled out by students participating in Business Economics 490—Seminar in Black Capitalism. They were asked to describe the three best and three worst aspects of the three hour evening course, which consisted of lectures by various invited outside speakers, followed by a question and answer period. The lectures focused on such issues as black economic development, hiring and training of hard-core unemployed, black financial institutions and community action programs. A companion course, Business Economics 491—Research in Black Capitalism, offered students the opportunity to do field studies or special research projects on black economic development. Eighty-nine students took part in the lecture course; 26 in the research class. Both courses were guided by four professors: Sidney Jones, Professor of Finance; David Brophy, Assistant Professor of Finance; Edwin Miller, Associate Professor of Industrial Relations and J. B. Ritchie, Assistant Professor of Industrial Relations.

What did students actually learn? Did they have preconceived notions that were changed? What are some of the problems involved in designing a course of this kind? What were some of the projects done by the research students? To find answers to these and other questions, we had available 80 course evaluation sheets turned in

by students in the lecture class. In addition, we sent a questionnaire to the 26 students who participated in the research class. Eight of these responded, or slightly less than one third. We were interested, however, by the wide spectrum of views represented in those eight questionnaires. In fact, one facet of both courses that stands out is that both seemed to contain representatives of nearly every viewpoint—from black militant to white backlash, as well as a large group of moderates, both black and white. Attitudes about the class reflected what happens when these viewpoints are brought together—namely tension, frustration, puzzlement and education. "A real eye-opener," wrote one student.

Answers to the questionnaires and to the course evaluation sheets raise, but do not answer, certain questions: Did some students take from the course only what they wanted to hear? The divergence of what some students said they learned might indicate that this is true, at least in a few cases. One gets the impression that the far ends of the spectrum found their viewpoints confirmed (even though

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their viewpoints were totally opposite) whereas the middle ground learned that the problems were much more complex than they had realized.

Another question raised is: "What was the *nature* of the learning that took place?" In reading their responses, one comes to believe that many students learned on a level other than the strictly intellectual one—that perhaps the emotions and tensions existing in the course caused students to gain an understanding of some of the *subtleties* of the black-white problem that cannot be expressed in any textbook.

With this preface, we would like to discuss the eight questionnaires of the research students. Of the eight, three worked with a black business firm, two did library research, one worked with a black bank, and two did field studies of ICBIF, the Inner City Business Improvement Forum in Detroit. Since the questionnaires were anonymous, we have no way of knowing positively whether the respondents are black or white, business or non-business students.

The three students who chose to work with the black firm mostly had "practical" reasons: "I was tired of

the theoretical side of learning and wanted to test myself and my ability and knowledge. Also, I had prided myself on a certain amount of empathy for the black cause yet had never done anything to aid it," said one. "I wanted to obtain more understanding of the black problem as well as to improve my business talents by involving myself in real, practical business problems," said the second student, and the third one wanted to find out "what, if anything, prevents a black firm from being successful and if it is successful then why is it felt that blacks can't run profitable businesses?"

It should be pointed out that the black firm with which these students worked was a well-run, efficient operation. The students were not trying to save a failing operation but rather to offer some help (and to learn from) a good organization with opportunities to improve and expand.

What did these three learn? At the beginning they assumed their expertise could be easily applied to problem solving; at the end they saw themselves in a much more limited role. One of them explains, "Although I already was aware of the intensity of the black problem, I did not realize how complex it is. I learned about the many different ways both blacks and whites have tried to find a solution. The most important thing I learned is that both blacks and whites must have patience, if they are to work together. The necessity for patience came to my attention after a series of frustrating attempts to solve problems too quickly." This student's specific responsibility was to aid the owner in the areas of marketing and recruiting.

Another student chose to compare this company with other companies in the same field. He says "I gained an insight into how one black firm has been able to survive just by the qualities of determination and work. The owner was an example that many of the blacks and whites in the (lecture) course should have seen. Most of the black arguments were that they wanted to be a success on their own but white competition

*By Pr'mgle Smith
Editor, Dividend*

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wouldn't allow them to survive. The owner of this company refuted that as a sweeping statement."

The third respondent is frank to admit that he entered the course with stereotyped ideas that were changed by his experiences: "I suffered from a stereotyped idea of what a small black business establishment would look like—that was changed when I saw this company." His ideas on black-white relationships also changed: "Any cooperative effort of black businessmen and white businessmen or students must be a joint common-ground effort with no condescending overtones," he writes. "The black community will not accept any master, pupil relationship. The lecture series helped bring out this point. The research experience drove the point home and gave me practice in this type of relationship."

The fourth person to answer our questionnaire was apparently so irritated by the lecture course that any learning seemed to be obscured. He chose to do a paper on the history of the black movement since the time of Little Rock because, he felt, "I could better understand the black problem by looking at the history than by working with a black firm." His expectations in doing this research were "to learn how to help a cause—that of bettering the economic situation of the black people." From here on, it is difficult to see what he learned from his project, as most of his comments seem directed toward the lecture course: "Most of all I learned there is a vicious circle of prejudice and economic plight that is becoming more vicious because the black people are either unwilling or unable to face the situation constructively." He goes on to criticize the lecture course by saying "there was no direction or purpose to it. It merely served as ranting and raving by black students—never constructive comments. I was much more interested in finding solutions to black problems when I entered the course, but the course, by being meaningless, uncontrolled and a forum for the blacks to let off steam, eventually made me tired of the whole situation in this country. Until the blacks want to do something constructive about their situation, there is nothing we can do." This respondent wrote a post script to his questionnaire as follows: "If this

questionnaire is going to be used for your publication, I hope you are not just looking for favorable comments to publish. Besides myself, I know of many students who are not pleased with the course, and unless you consider all viewpoints your article will be very unrepresentative." He also said he thought the course should be discontinued.

What about this attitude? Is it representative of a number of students in the lecture course? An analysis of response to the lecture course suggests that this student is in a very small minority. Seventy-one percent of the students agreed with the statement "This course challenged me in the sense of demanding concentration, intelligence and clear thinking," 18% were neutral and 11% disagreed. Forty-seven per cent felt the course should be *required* for all business students. And out of 80 course evaluations, 44 gave unqualified approval ("one of the best courses I've taken"); 30 gave qualified approval ("it's a good idea—merely needs to grow," "good as a start in this area"); six had no comment. No one said the course should be dropped.

Another student who chose a research project is currently enrolled in the law school. He was interested in the "economic, business, social and legal implications of legislation introduced into Congress in 1968 and known as *The Community Self-Determination Act*. This legislation seeks to establish community development corporations to assist

long term effects, and the black community. He says "There should be a major alteration in the basic philosophy, attitude and opinion of business schools. It is absolutely untrue that maximization of short-run profit (which in turn means most efficient use of resources in the short run) will lead to maximization of long-run profit and the most efficient use of resources in the long run. Business has no way of measuring—even remotely—the long run effects of short-term profit maximization—e.g.: the auto industry vis-a-vis air pollution; steel industry vis-a-vis water pollution; racial discrimination of big business vis-a-vis riots and internal racial strife. It is rather appalling that the major justification an auto company could find for spending large sums of company money on employing and training 'hard core' individuals is that it was in the 'economic self interest' (short term) for the company to do so. The tenets of classical capitalism or modern capitalism or any such strain do not obtain. There is no free mobility of resources, no free mobility of labor, no free mobility of capital, no perfect knowledge. The business community knows this; indeed it is the cause of it. And the pattern will not change until the economic self interest of business is threatened, i.e. riots."

The sixth respondent to our questionnaire interviewed a cross section of black Detroiters about their banking habits and their perception of an all black bank, the

"I found out how little I understood about blacks J⁹

in the struggle of minority groups and the economically deprived for economic survival and liberation." He says he intended to work toward the passage of the bill into law if, after learning the provisions, he agreed with its intent and its mechanisms.

This student, who holds an MBA from the University of Chicago, devoted a major part of his questionnaire to an analysis of the relationship of business, short term profits,

First Independent National Bank of Detroit. He wanted to find out the level of financial awareness in the community, to identify areas where the bank should stress its marketing, and to correct some of the fallacies that exist in a community uninformed about banking. This student felt his objectives were achieved, although he does not elaborate on how—but simply says he found both the community and the organizers of the bank to be cooperative. His

opinions about the lecture course seem contradictory. On the one hand he says "Some viewpoints were worthwhile, but others were simply the rhetoric that characterizes the dialogue between whites on black problems." On the other hand, he comments that "the discussions were

"Some viewpoints were simply the rhetoric that characterizes the dialogue between whites on black problems."

senseless since the information gap between white and black participants was so great." He goes on to say, "No ideas of mine about the subject matter or the participants were changed. The roles I had imagined were completed by those involved. In fact, my ideas received reinforcement regarding 1) the closed-mindedness in the business school, 2) failure of black capitalism in society, inevitably 3) non-response to social problems by Big Business." This respondent indicated he is in favor of maximum separation of the races instead of the "half hearted separation we have today."

One student chose to report on certain aspects of the Detroit Inner City Business Improvement Forum (ICBIF) because he felt the Forum dealt with problems which were the specific concern of the course in black capitalism, as well as because he has several friends and relatives who are intimately concerned with the operations of ICBIF. He hoped the project would increase his awareness of the subtle problems of black economic development. His comments reflect a puzzled, thoughtful approach to the situation: "I learned that the 'Black Revolution' has affected fundamentally and profoundly vast numbers of people black and white, as to their approach to life and to the problems of black Americans. (This is not only from the course, of course, but it is hard to separate the factors affecting my thinking into class and out-of-class categories.) I am thinking, I guess, primarily of blacks, because they must be the ones who sustain the drive and fire for their own change. And I see in discussions, meetings, classes, a state of mind which I interpret as

permanently changed in some ways but not fundamentally so as to scrap the whole American way. I do not see equality's cause vastly accelerated. I do not say stopped but going at much the same pace. I may be wrong, of course, I recognize my contacts are limited and that even if they were

not I could not be sure of what 'enough fire for revolution' would be like."

Another student who chose to investigate ICBIF as his project wanted to do this because the organization had been brought to his attention as exemplary of what "successful Negroes" could do to help in ghettos. He wanted to learn if they were actually accomplishing anything, as well as to get a jumping off point for planning how to orient his own financial direction. He says he learned that "basically it is possible for a black man to make a considerable amount of money and still help those blacks who haven't 'made it' yet." He added that the lecture series was of benefit because the speakers (who he says were well chosen and informative) gave a "vague yet valuable sensitivity to the subtleties of the problem of 'black capitalism!'"

What about those "subtleties?" And what about the difficulties of designing a successful course on a controversial subject? How can the course be improved? Remarks on the 80 evaluation sheets suggest some answers.

The evaluations indicate that in some ways the greatest strengths of the lecture class were also its greatest weaknesses, a factor that perhaps gives us insight into the difficulties of designing a successful course of this nature. For example, many students said the course needed more structure and firmer organization. On the other hand, they cited the free atmosphere and open discussion as one of the great strengths of the course.

Another criticism students had was that there was not enough commonality of background. Wrote

one participant, "Both black and white students need to know more about the workings of economics and the business organization. There was an unbelievable amount of naivete among students, especially the non-business or non-economic students, in these two areas. This greatly hampered their ability to understand and solve problems related to these two areas." On the other hand, the mixture of viewpoints and background was frequently mentioned as one of the best aspects of the course—the exposure to varied viewpoints led to a "realization of our ignorance," as one student wrote. Said another, "this course has university-wide appeal. Therefore people whose ideas we would not normally come in contact with were in this course. Very thought-provoking."

What about the mixture in the class? A breakdown of the enrollment shows that of the 89 participating in the lecture course, 19 were black and about one third were non-business students. Sixty of the participants were graduate students; 48 of these were graduate students in business. The other 12 graduate students included: two from the Law School, two from the School of Social Work, two from the School of Public Health, two from the School of Engineering, and four from the Horace H. Rackham School of Graduate Studies.

Student remarks indicate that the discussion sessions following the lectures were both irritating and enlightening. Said one: "The lectures were varied and the speakers good. However, the question and answer period was not so good. The same people spoke each week and it often degenerated into an interrogation of the speaker. After a few weeks one could almost guess the questions that would be asked before the lecture began." At the same time participants praised "particularly the discussion that follows the lectures and the discussion the course generates outside the class." Another student wrote: "I learned many things from the blacks in class about their attitudes toward society and whites in general. I found out how little I understood about blacks." Not only the white students found themselves irritated at times. One evaluation

Continued on back cover

The Placement Picture

Continued from page 19

Alumni placement assistance continues to increase and has done so particularly since the brief descriptive note in the Spring issue of the *Dividend*. Those who would like detailed information regarding registration can obtain it by writing the Placement Office. The monthly Job Opportunities Bulletin carries job listings of interest to alumni. About one-half the listings would appeal to those with five years experience or less, and carry salaries in the \$10-15,000 range. Another 40 per cent typically are in the \$15-25,000 range with emphasis on those with five to ten years of experience. About one position in ten is priced at \$25,000 or above. Geographically, the heaviest representation is in the East and the Midwest, with a modest number of

listings from the far West, very few from the South, and occasionally some for overseas assignments.

About one-half of the alumni who receive the Bulletin also choose to have data sheets on file, so their credentials can be sorted against employer requests. Some "vital statistics" on those registered are given in Table 2 (page 19).

As to fields of interest of those seeking new positions, marketing management, consulting, industrial relations, corporate finance, and managerial accounting lead the list, with an increasing level of inquiry for work in corporate planning, acquisitions and mergers.

While not wanting to encourage alumni to become dissatisfied with their present positions, the School tries hard to assist those who have taken the initiative in finding new positions.

All indications are that the demand for our MBA graduates will continue

to far outstrip the supply. Many employers assert that lack of sufficient managerial potential in the manpower pool is the chief deterrent to achieving expansion and growth objectives and that intensive recruiting at schools such as ours is imperative, not only to provide for growth but indeed to assure survival. With the perpetual increases in starting salaries, however, employers are highly selective, requiring candidates to be prepared to deliver on performance and rapidly to assume increasingly higher levels of responsibility in a business world becoming infinitely more complex than yesterday. So far our graduates have been able to meet the test. The School's regular adjustment of the curriculum to the times and its own intensive recruitment and rigorous admissions policies help assure that the Michigan MBA will continue to be well represented in the front ranks of administrative excellence in business.

Black, White, and Bus. Econ. 490 & 491

Continued from page 27

sheet listed the three worst aspects of the class as "1) naive 2) white 3) business students."

Along with the criticisms, students made specific suggestions for improvement which were considered in planning the course for this year. Among the suggestions were: that the title be changed to "Economics of the Ghetto"; that there be more diversification in the speakers ("a militant black should

have been brought in; a conservative should have been brought in"); that there be more solution orientation ("no student-initiated programs for consulting, ghetto work, etc. were discussed or formed in class. We were impressed by the problems but did not *do* anything"). Many students complained that the class was too large, and wanted more reading and required reading ("I would have liked to have been pushed a bit more"). One student suggested having two speakers debate one subject, with the class taking sides, so that a lecture wouldn't be 'one sided'. Another said, "A good though not complete

exposure to black thought. It would be useful to be exposed to blacks from the ghetto environment—because the blacks in this course may not be totally aware of the attitudes of those in the ghettos."

All in all, students were impressed with the attempt to grapple with a fundamental problem in American life. "Relevant" was a word they wrote again and again in their evaluations. At the same time, in discussing the problems, they recognized that a course attempting to probe a difficult and complex area of American life will be a difficult and complex course to design.