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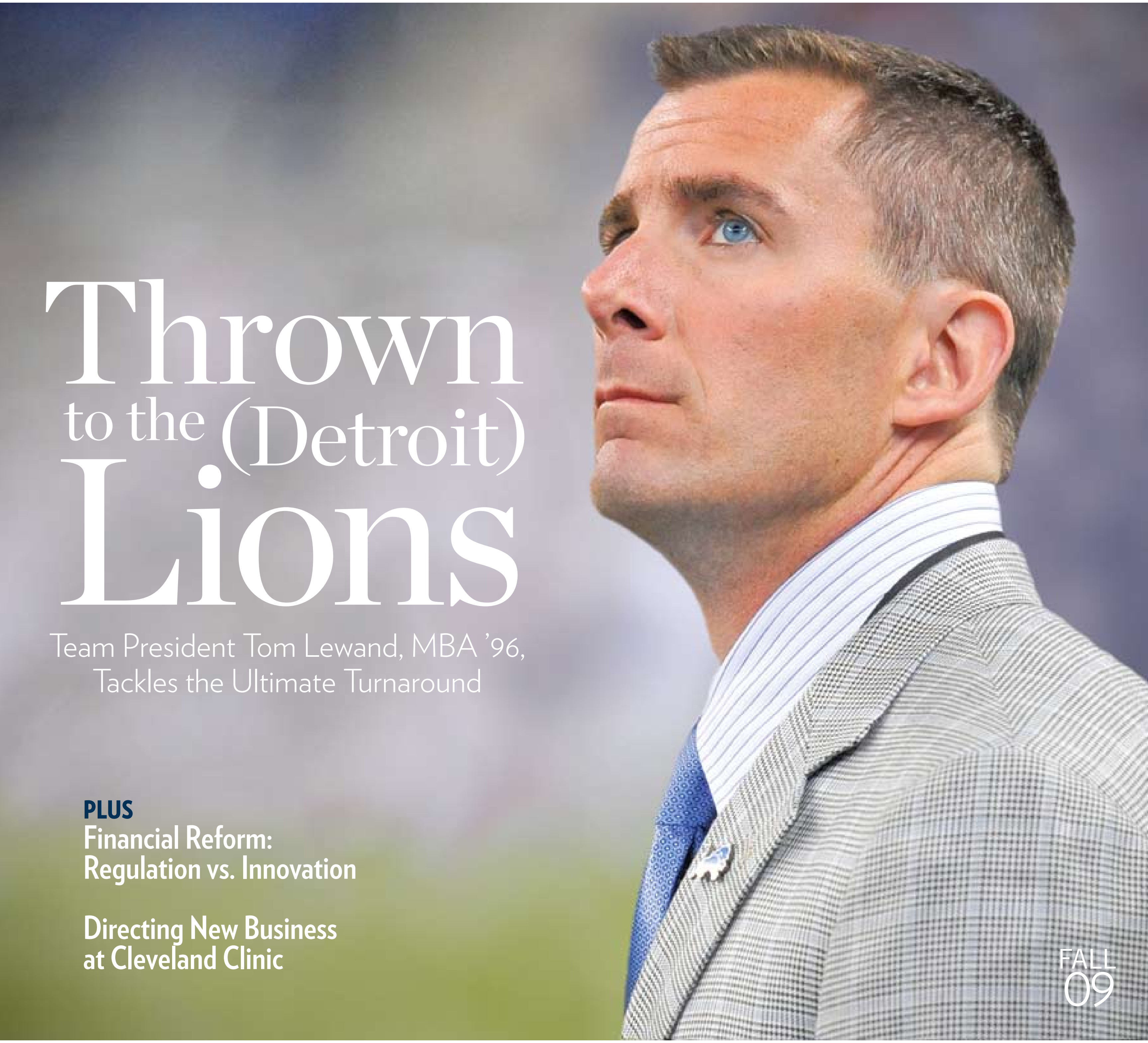

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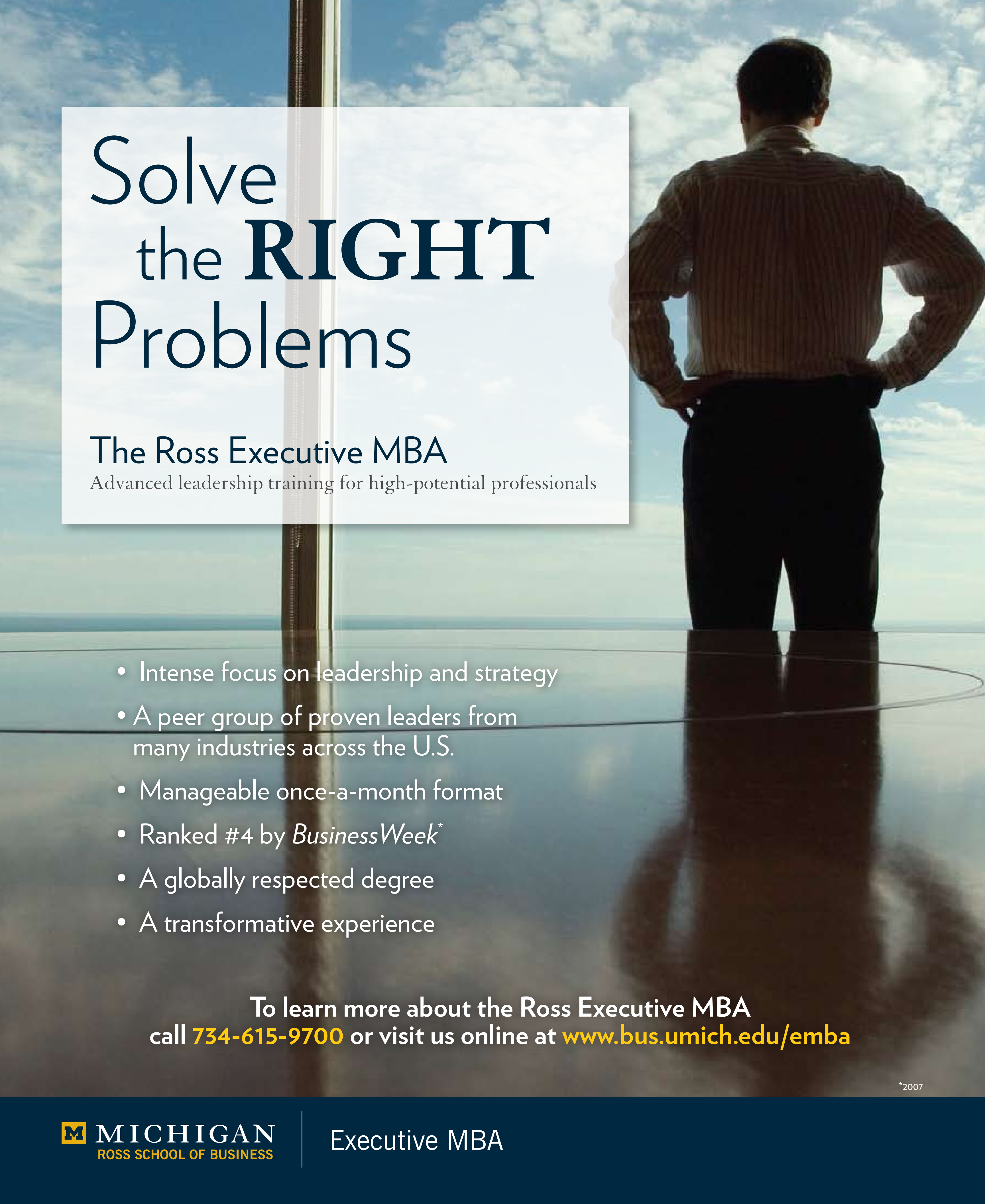
FALL 09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DEPARTMENTS

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DEAN
Robert J. Dolan

EXECUTIVE DIRECTOR OF THE OFFICE OF ADVANCEMENT
Michael Andreasen

DIRECTOR OF MARKETING COMMUNICATIONS
Paul Gediman

EDITORIAL MANAGER
Deborah Holdship

STAFF WRITERS
Terry Kosdrosky, Leah Sipher-Mann, Amy Spooner

COPY EDITORS
Amy Spooner, Fred P. Wessells

CLASS NOTES
Fred P. Wessells

CREATIVE DIRECTOR
Steve Busch

ART DIRECTOR
Anne Brinich

PHOTOGRAPHERS
C.J. Benninger, Raymundo Garza, Steve Kuzma, Gavin Smith

ORIGINAL ILLUSTRATIONS
Michael Austin, Sarah Hanson

PRINTER
University Lithoprinters

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For more information, contact Dividend, Stephen M. Ross School of Business, University of Michigan, 701 Tappan, Ann Arbor, MI 48109-1234. (734) 647-4626.

Stephen M. Ross School of Business
www.bus.umich.edu

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20Q Twenty Questions with …

PHOTO BY GREG MARTIN

DAVID "TRIPP" FREY, MBA '07, is co-founder and director of comprehensive strategy at TREW, an outdoor sports apparel company based in Hood River, Ore. TREW's designers create outerwear that combines the technology of mountaineering shells with the comfort necessary to go from a full day on the mountain to a fine evening at the pub (www.trewgear.com). An avid skier, snowboarder, and kiterider, Frey brings true passion to the startup. He and his co-founders have been touring the country in their customized "haRVy" on the quest to capture market share and score the ultimate gnarl. Would it surprise anyone to know that Frey's guilty pleasures are Sour Patch Kids, Swedish Fish, and Red Bull?

1 **What keeps you up at night?** I usually sleep pretty sound, but thoughts of my business and powder days will surely keep me awake.

2 **What's one of the best books you've read in the last year?** *Good to Great* by Jim Collins. Cliché, I know, but I wanted to read it again using TREW as a lens to think critically about our decisions.

3 **What is the first album/CD you bought?** Def Leppard's *Hysteria*. '80s music rocks!

4 **What's on your iPod?** Absolutely everything. It's important for me to have music that matches my mood, so I have everything — Audioslave to Beethoven, Randy Travis to Dave Brubeck.

5 **What's the most thrilling/adventurous thing you've ever done?** Tough question. It was probably bungee jumping at K Bridge outside of Queenstown, New Zealand, or backcountry skiing out of a remote hut in the British Columbia wilderness.

6 **Guilty pleasure?** Sour Patch Kids, Swedish Fish, and Red Bull.

7 **What was your first job?** Working for my junior-year English teacher with two friends. We rebuilt her brick patio and did general landscaping.

8 **Who is your personal hero (and why)?** My mom. She doesn't care if she's eating Kraft macaroni and cheese or dining at the 21 Club in NYC. All that matters is you have family and friends around to share stories and hopefully many, many laughs.

9 **What is the best business decision you ever made?** To quit working at JPMorgan. It took a leap of faith, but it allowed me to follow my true passions and made me a stronger, happier person.

10 **What advice would you give to yourself 10 years ago?** Have lots of different experiences with lots of different people. Travel, work different places, and try new things. In the process you'll learn more about yourself and contribute more effectively as a member of society.

11 **What is the one thing you learned in business school that you'll never forget?** That interpersonal skills — the abilities to learn, listen to others, garner trust, etc. — are invaluable. Lots of people know how to do a DCF model or build a regression table, but very few have all the "soft" skills to compete in today's world.

12 **Favorite comfort food?** Pepperoni pizza.

13 **What is the most important room in your home?** The kitchen. What's better than good food and good people?

14 **What is the first website you access in the morning?** During the winter I check snow reports, and during the summer I check wind reports. I also visit espn.com, cnn.com, nytimes.com, and drudgereport.com.

15 **If you had a theme song, what would it be?** "Simple Man" by Lynyrd Skynyrd because I don't need much to make me happy.

16 **Favorite line from a movie or television show?** From *Meet the Parents*: "So, Greg, how is your portfolio doing?" "Strong to quite strong."

17 **Three people, living or dead, you'd have over to dinner?** First, my maternal grandfather because he passed before I was born. Second, Dean Smith, the former coach of the men's basketball team at University of North Carolina. Lastly, Jesus because I think it would be extraordinarily interesting to get his views on modern-day Christianity.

18 **Best trophy/award you ever won?** "Biggest Brown-noser" in my high school superlatives.

19 **Pet peeve?** People who don't really understand how long it takes to do something.

20 **Why do you give to Ross?** To foster an environment where great teachers are found in the classroom and to give students the opportunity to follow their true passions. The 2007 Class Gift, designed to allow students to pursue careers at nonprofits and lower-paying jobs by aiding in the payment of their school debt, was particularly effective.

PAOLO PASQUARIELLO, ASSISTANT PROFESSOR OF FINANCE, researches information economics, international finance, and market microstructure. When he's not watching Italian soccer, Pasquariello is examining strategic trading in stock and bond markets, financial crises and contagion, and the relation between firm-level adverse selection and firms' capital structure decisions. He once worked as an analyst for Goldman Sachs and JPMorgan.

1 **What keeps you up at night?** My two-year-old daughter.

2 **What is one of the best books you've read in the last year?** Jared Diamond's *Collapse*, a very engaging (and dense) analysis of why some human societies of the past have catastrophically failed and what lessons we can learn from their mistakes to make our modern society "sustainable."

3 **What's the first album/CD you bought?** Fleetwood Mac's *Tango in the Night*.

4 **What's on your iPod?** Neapolitan pop/jazz, Coldplay, KT Tunstall, and the live commentary of the Italian national soccer team's wins against Germany and France at the last World Cup.

5 **What's the most thrilling/adventurous thing you've ever done?** My wife and I drove around Namibia with no guide or GPS on a two-week honeymoon. I fondly remember getting a flat tire in a national park while being surrounded by wonderful (and big) animals.

6 **Guilty pleasure?** Eating Nutella and cookies while watching Italian soccer on Sunday mornings.

7 **Personal hero (and why)?** I never liked idolatry. However, I must confess that when Diego Maradona played (marvelously) for my Napoli soccer team in the 1980s, he was pretty high on my nonexistent list.

8 **First job?** Portfolio manager (European equities and forex) for an Italian investment firm soon after college.

9 **How do you motivate your students?** I teach international finance, so I invite my students to not compartmentalize the course as an elective. In globalized markets all of finance is international, whether we like it or not.

10 **Best business decision?** Buying a car that gets 30 miles per gallon five years ago.

11 **If you had a theme song, what would it be?** It keeps changing depending on my moods and circumstances.

12 **What advice would you give to yourself 10 years ago?** Go for it.

13 **Biggest management myth?** "Common sense is overrated; models are not." A lot of the subprime mess can be attributed to this one.

14 **Most important room in your home?** The playroom. Because of the kids, we basically live there.

15 **First website you access in the morning?** nytimes.com.

16 **Favorite comfort food?** Cheese, Italian salami, and fresh bread.

17 **Favorite line from a movie?** From *Trading Places* when Dan Aykroyd, in describing commodities trading to Eddie Murphy, basically says, "Buy low, sell high ... one moment you have 10 million dollars and the next you don't have any money left to buy shoes for your children."

18 **Three people, living or dead, you'd have over to dinner?** Diego Maradona, JFK, and Theodore Roosevelt.

19 **Best trophy/award you ever won?** Either the NYU Intramural Indoor Soccer Championship in 1998 as a goalkeeper, or my second-place trophy for a Goldman Sachs go-kart race in 1997. (I had to gently push the managing director of my desk out of the racetrack.)

20 **If you could read anyone's mind, whose would it be?** My son's. "What were you thinking when you did *that*?"

SAMANTHA KELMAN, BBA '10, didn't intend to start a business when she entered a three-day walk for breast cancer while still in high school. But in her quest to raise the $2,100 entry fee, Kelman transformed from fundraiser into entrepreneur when she printed plain white and navy T-shirts with the slogan "Save Our Women." She charged $10 apiece, sold out immediately, and went on to create her own online apparel company with the same slogan (www.saveourwomenstore.com). A portion of profits go toward breast cancer research. These days the 2007 Ross BBA Entrepreneur of the Year is finishing up her senior year and making plans for Save Our Women's future.

1 **What keeps you up at night?** Planning tomorrow.

2 **What's the last book you read?** *The Kommandant's Girl* by Pam Jenoff.

3 **What's on your iPod?** Guster.

4 **What's the most thrilling/adventurous thing you've ever done?** Took an 18-day canoe trip in northern Ontario.

5 **Guilty pleasure?** Chocolate.

6 **Personal hero (and why)?** My mom. She never stops believing in me and encourages me to push my limits in every aspect of my life. Her courage and confidence are something to aspire to.

7 **First job?** Camp counselor.

8 **Best business decision?** To start my own business.

9 **Most important room in your home?** My basement, where I keep the Save Our Women inventory.

10 **What advice would you give to yourself if you were applying to business school again?** Don't stress so much.

11 **What is the one thing you've learned in business school that you'll never forget?** Real entrepreneurs don't need sleep (from Len Middleton).

12 **First website you access in the morning?** saveourwomenstore.com.

13 **Favorite comfort food?** Peanut butter and jelly.

14 **Three people, living or dead, you'd have over to dinner?** Barack Obama, Oprah, and Adam Sandler.

15 **Best trophy/award you ever won?** The BBA Entrepreneur of the Year Award.

16 **Favorite pizza joint in Ann Arbor?** Back Room.

17 **Pet peeve?** Smart people with no common sense.

18 **Unfulfilled wish?** To travel the world.

19 **Favorite sport to watch?** Tennis.

20 **What did you want to be when you were a kid?** A teacher.

PHOTOS BY STEVE KUZMA

Ross Adds Weekend Format to Part-time MBA Program

Beginning in May 2010, the Part-time MBA Program will offer a Weekend Format in addition to its Evening Format. Generally, students take three to four years to earn an MBA in the Evening Format. In the new Weekend Format students will earn an MBA by attending class two weekends a month for two years and completing some distance learning.

"In the world of part-time MBA programs one size does not fit all," says **Valerie Suslow**, associate dean for degree programs. "Both formats offer a great general management education and draw on the Ross School's commitment to connecting business education with real business through action-based learning."

Students in the Weekend Format will take classes Friday afternoon and evening, and all day Saturday during six 14-week terms. Most courses will be held in Ann Arbor although a few may take place at the Ross satellite campus in nearby Southfield.

The core curriculum for the two formats is virtually the same, with courses in accounting, finance, strategy, marketing, operations, business economics, and management and organizations forming the foundation of a rigorous general management education. In addition, the Ross School's distinctive Multidisciplinary Action Project (MAP) course is a core requirement of the Weekend Format. It is an elective for Evening students.

Students in the Weekend Format will follow a lockstep curriculum with the same cohort of peers throughout the two-year program. In lieu of electives, second-year courses will be woven into three themed groups in which students will examine a common case across several disciplines.

"The benefit of this approach is that it trains students to synthesize many perspectives so they can assess different kinds of risks and opportunities," says **Paul Clyde**, Ross professor and academic director of the Part-time MBA Program. "Our integrated, multidisciplinary approach is designed to give graduates the broad perspective they'll need when they get involved in key decision making that requires cross-functional collaboration and communication. That's a quality many companies have told us they want in their managers and leaders."

For more information visit the Part-time MBA website at **www. bus.umich.edu/ptmba**.

Anne Kwok Tang, BBA '78, welcomes Dean Robert Dolan to Hong Kong.

Making an Impact: at Home and Away

DEAN DOLAN VISITS ASIA WITH UNIVERSITY DELEGATION

In May, **Dean Robert Dolan** and professors **Ken Lieberthal** and **Linda Lim** joined a University of Michigan delegation to Hong Kong, Singapore, Shanghai, and Beijing. The outreach was sponsored by the Ross School; the College of Engineering; the College of Literature, Science, and the Arts; the Office of the President; the U-M Alumni Association; and retired Ross professor **Gunter Dufey**.

University deans, professors, and other officials embarked on an extensive agenda of speeches and panel discussions, individual appointments, small group meetings, campus and corporate tours, ceremonial visits and signings, and private lunches and dinners.

Highlights included a visit to the National University of Singapore (NUS), where Dean Dolan spoke to the heads of Asia-Pacific business schools. Meanwhile, strategy professor Lim undertook an ambitious schedule of activities that resulted in agreements to explore two-way BBA student exchanges with NUS; collaboration between the NUS faculty of arts and sciences, the NUS medical school, and U-M's Institute for Social Research; and multidisciplinary joint research regarding sustainability issues.

"The University of Michigan is well-positioned to engage with our Asian peers in projects of mutual benefit to our faculty, students, and home societies," Lim says.

In Shanghai the U-M delegation met with members of the senior management team of Shui On Land Ltd., the flagship property development company of China-based Shui On Group. In November 2008, Ross partnered with Shui On to create leadership development and educational programs for the region.

Alumni lunches and dinners were hosted in Hong Kong by **Anne Kwok Tang**, BBA '78, and Henry Tang, and by **Ed Man**, BBA/MAcc '95; in Singapore by **James Cheng**, MBA '88; in Shanghai by David He, PhD '90; and in Beijing by Sean Zhang, MSE '84/PhD '90.

Around the World with MAP 2009

Each spring, first-year MBAs leave the classroom and enter real companies to scope and solve actual problems as part of the Multidisciplinary Action Projects (MAP) course. MAP debuted in 1992; the course has come to epitomize the school's commitment to action-based learning. These images showcase the breadth and diversity of sponsor firms and projects in 2009.

1 DIVERSE ENERGY The Diverse Energy MAP team stands inside a PowerCube, a portable, self-contained fuel cell generator that uses ammonia as fuel and has no carbon emissions. The team traveled to England, South Africa, and Namibia to plan a market entry strategy and regional expansion into sub-Saharan Africa. L-R: Justin Turner, Evan Croen, Venkata Srikanth Chakka, Brian Van Abel, Scott Bender, and Jason Clark.

2 HILL'S PET NUTRITION Andi Song listens intently to a key stakeholder's feedback at Hill's Pet Nutrition in Topeka, Kan., during Bring Your Pet to Work Day. Song and MAP teammates (Chester Cai, Danielle Chandler, Priscilla Flores, Bruno Kim, and Amanda Piper) developed a marketing initiative targeting a new demographic.

3 CARE UGANDA In Kampala, Uganda, Jeanah Hong shows a group of kids their photo, which she had just taken on her digital camera. Hong and teammates Lisa Bennett, Jessica Henck, Courtney Johnson, and Whitney Morris helped CARE Uganda determine the feasibility of distributing clean energy stoves and solar lights to rural areas.

4 STONYFIELD FARM/TURTLE RIDGE FOUNDATION The Stonyfield MAP team poses with Rachel, an essential component of the supply chain, at Stonewall Farm organic dairy in Keene, N.H. The students assessed the financial viability of a proposed organic dairy on Stonyfield's Turtle Ridge Farm site and offered educational opportunities focused on organics and sustainability. Clockwise from left: Ryan Whisnant, Lisa Ingmarsson, Dave Weinglass, Anna Coldham, Vivienne Edwards, and Dora Lam.

5 RAINFOREST EXPEDITIONS Christine Baron and Michael Sprunger dive deep into data on their first day working for one of MAP's longest-running sponsors. The team (which also included Molly Cutcliffe and John Fang) analyzed variable costs and created a strategic model for Rainforest Expeditions using input from lodge managers in the Peruvian rain forest.

6 PROCTER & GAMBLE PRESTIGE PRODUCTS The P&G MAP team strikes a pose with oversized fragrance bottles in New York City. They worked to reinvigorate P&G's current marketing strategy for its fine fragrance category, which includes Dolce & Gabbana, Hugo Boss, and Gucci. Seated (L-R): Joanna Wu and Manu Singhal; standing (L-R): Harry Dohnert, Kai Freeman, Georgia Healey, and Faye Yang.

7 LAN AIRLINES (PERU) The LAN MAP team studied passenger traffic at Lima's airport, performed an operations analysis at the Lima and Cusco airports, and made recommendations for achieving LAN's growth strategy. While in Cusco, the team found time to reveal their true colors overlooking Waynu Picchu. In the back (L-R): Harel Shapira, Tut Fuller, Benjamin Liwnicz, and Saulo Rozendo. Front (L-R): Chris Lezama and Joe Hopkins.

8 DETROIT LIONS The Detroit Lions MAP team tackled organizational challenges at Ford Field in Detroit. Their project focused on increasing season ticket sales and revenue, not win-loss records. Working out of an office at Ford Field, the team was able to tour the locker rooms, press areas, and field. (L-R): Nick Abstoss, Erkin Peksoz, Joe Johnson, Joshua Crites, Mike Hasse, and Justin Stahl.

9 MEDIVUR Medivur, a start-up medical device company, asked its MAP team to perform a market assessment and develop a market entry strategy for western Europe, requiring travel to Belgium, Spain, the U.K., the Czech Republic, and Germany. The team used a trip to Gaudi's Park Guell in Barcelona as an exercise in teamwork. The goal: stay in the air long enough to capture their synchronicity on camera. Pictured (L-R): Megan McIntosh, Marjorie Chen, Allison Haidostian, and Jeremy Benhammou.

10 ASSOCIAÇÃO DE ASSISTÊNCIA À CRIANÇA DEFICIENTE (AACD) The AACD MAP team scrubbed into surgery to better understand the work of this São Paulo-based hospital and rehabilitation center, which provides free care to low-income, disabled children. The students used strategic analysis, financial modeling, and marketing to explore medical tourism (providing surgeries to paying patients from other countries) as a revenue stream. Back (L-R): Darren Morris, Jeremy Taub, and Nisha Kumar; front (L-R): Dante Mastri, Elissa Wirt, and Pam Katz.

11 THE HERSHEY CO. Students pose with Pelon Pelo Rico, named for a popular tamarind-flavored candy, at the Hershey Co.'s Guadalajara, Mexico, office. While there, they visited changarros ("mom and pop" stores) to assess the confectionary marketplace and sample local products with consumers and shopkeepers. Back row (L-R): Nishi Vakil, Robyn Bald, Susan Lee, and Geeti Bhargava. Front (L-R): Hershey's employee Leonardo Mondragon and Marco Salcedo.

PHOTOS COURTESY OF EVAN CROEN (1), ANDI SONG (2), JESSICA HENCK (3), JOHN FANG (4), HARRY DOHNERT (5), CHRIS LEZAMA (6), JUSTIN STAHL (7), GISELLE TAN DINEROS (8), DARREN MORRIS (9), ROBYN BALD (10), AND RYAN WHISNANT (11).

www.bus.umich.edu/MAP


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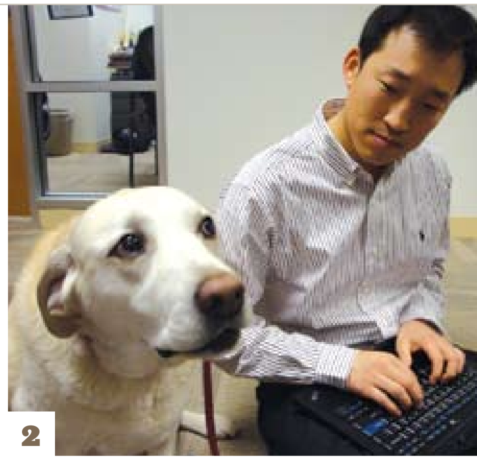
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Executive Residence Reopens for Guests

The Ross School's newly renovated Executive Residence has reopened. Adjacent to Wyly Hall near the intersection of Hill Street and East University Avenue, the residence features 105 guest rooms servicing the Executive MBA Program, Executive Education participants and, as space allows, other guests tied to the University.

"Our goal is to provide guests with a comfortable, productive, and enjoyable environment," says Janet Hopkins, general manager of hospitality services.

The recent renovation incorporated recycled and sustainable building materials, including the granite, marble, oak paneling, and wool carpeting in each guest room. Sustainability initiatives include the use of paper products with recycled content, eco-friendly biodegradable and compostable serviceware, and green cleaning products. Even the guest room keycards are made of compostable material. In addition, recycling and composting hubs are located throughout the Executive Residence for guests' convenience.

Each guest room floor features a social area for professional networking and informal gatherings. Guests are welcome to use the Och Fitness Center and the Dining Room at the Executive Residence, which features fresh, local, and sustainable foods. The dining room is open to the Ross community for breakfast (6:30 – 8:30 a.m.) and lunch (11:30 a.m. – 1:30 p.m.) Monday – Friday. Call 734-764-ROSS to reserve a table.

Other amenities include high-speed wireless, laundry/drycleaning services, safe-deposit boxes, and a 24-hour business center. In addition, the Ross MarketPlace, located in the hotel lobby, sells Ross-branded merchandise.

For more information visit www.bus.umich.edu/hospitality.

Husk Insulation Scores Media Wins

Husk Insulation, an award-winning startup that emerged from a series of MBA business plan competitions, has captured the imagination of the mainstream media with coverage in *The Economist*, *The Boston Globe*, cnn.com, and *Scientific American*.

The company is poised to convert agricultural waste into thin, high-grade insulation for the refrigeration industry. MBA Class of 2009 graduates **Ian Dailey**, **Erica Graham**, **Shally Madan**, and **Siddharth Sinha**, along with teammate **Elizabeth Ulhorn**, MBA/MS '10, launched the venture with a victory at the University-wide Michigan Business

Challenge earlier this year. The team went on to win $200,000 in the MIT Clean Energy Prize competition, and picked up awards in the DTE Clean Energy Prize competition and the McGinnis Venture Competition at Carnegie Mellon University.

Team Husk continues to enter competitions and raise funds to cover start-up costs.

Frankel Fund Invests in Wind Energy Firm

The Frankel Commercialization Fund, a student-managed pre-seed investment fund at Ross, has invested $80,000 in Accio Energy, an Ann Arbor-based developer of an innovative wind energy system.

This marks the fund's fourth investment in its three-year existence and the first in a renewable energy company.

Accio Energy, founded by entrepreneurs Dawn White and David Carmein, has developed a wind energy device that utilizes charged particles and wind to create electricity. The proprietary aerovoltaic technology utilizes no moving parts and is both highly scalable and cost-effective. **Jeffrey Basch**, MBA '99, is the company's general manager.

"We believe Accio Energy has the technology to create and capture a large, new renewable energy market and is led by an extremely savvy and capable team," says **Theo Ludwick**, MBA/MS '10, a member of the Frankel Fund's CleanTech team.

The Frankel Fund was formed to help accelerate commercialization of technology and the formation of companies at the University of Michigan and in the surrounding community. In line with that mission, Accio Energy intends to utilize the Frankel Fund seed money to develop an alpha prototype for use in customer demonstrations and to develop a strong intellectual property portfolio.

Tom Porter, director of the Frankel Fund and the Ross School's executive-in-residence, says, "Accio will be a great addition to our portfolio, and we are pleased we could assist a company that is at the forefront of what we hope will be the next major new industry in Michigan."

TOP: PHOTO BY STEVE KUZMA, BOTTOM: PHOTO COURTESY OF NSTAR.

Ross MBAs Learn New Media, Storytelling Techniques

MBA students enrolled in **Jeffrey Sanchez-Burks'** winter 2009 class returned from a research trip to Turkey with a different kind of deliverable for their professor.

For his class "Bridging in a Globalizing World: Turkey and the European Union," Sanchez-Burks and 23 students traveled to Istanbul for nine days to conduct ethnographic field research. The MBAs then turned their research into podcasts focused on the global marketplace.

"Doing a podcast leverages the unique talents of MBA students," says Sanchez-Burks, associate professor of management and organizations. He is the first Ross professor to require students to submit a podcast for a class. "MBAs who learn to present knowledge in alternative media will add value to the business community later," he says, and notes this generation's future subordinates will require leaders who are capable and fluent in all forms of modern communication.

"Given the level of technology we should be able to use, being able to put podcasts together and work in multimedia is very progressive," says **Holly Sharp**, MBA '09. "I like to see Ross is headed in that direction."

In Istanbul Ross students met and interviewed Turks from all walks of life. They covered a wide range of topics from tobacco use to social paradoxes related to Turkey's potential accession to the European Union. They also utilized the Ross alumni network to meet country managers from Google, PepsiCo, Red Bull, and CNN.

"So many times you hear working professionals say it's easy to learn the skills, but you need to be able to tell the story and put it in context," says **Erica Graham**, MBA '09. "If you can tell a story about why your project and goals fit into the bigger picture, they will be more accessible and well-received."

Ross Investment Club Hosts First Intercollegiate Stock Competition for BBAs

BBAs from 17 colleges and universities competed in the inaugural Intercollegiate Undergraduate Stock Pitch Competition.

The Ross School's Michigan Interactive Investments Club hosted undergraduate teams from 17 schools in March to pitch stocks, meet market experts, and engage in a trading simulation. The Intercollegiate Undergraduate Stock Pitch Competition was the first to be tailored to undergraduate business students and attracted teams from the University of California, Berkeley; Georgetown University; and the University of Pennsylvania.

The two-day competition kicked off with a keynote by **Michael Gelband**, BBA '83. He was head of capital markets at Lehman Brothers until 2007 before moving to New York-based alternative investment manager Millennium Management to head its global fixed-income division.

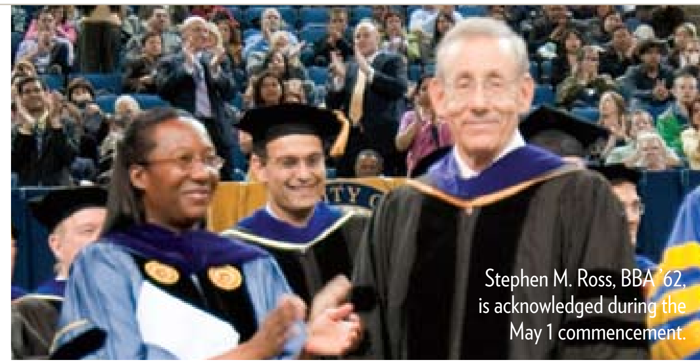
Gelband offered an insider's look at the evolution of modern-day finance, its current fight for survival, and predictions for the future. "Our model for financial institutions is fatally flawed," Gelband said. "What we will evolve into over the next decade will look like a newer version of the pre-modern era financial system. If a firm is too big to fail, it's going to be so heavily regulated it's going to be forced to operate as a utility."

Meanwhile, he said, new startups will emerge: investment bank boutiques, dealer brokers, electronic marketplaces, and aggregators. "That's what's going to drive our financial system back to health and create job opportunities," he said. "The marketplace and the regulators will demand better alignment of incentives, better risk management, and a more rational cost structure and size."

During the competition, teams were limited to pitching stocks from companies with market capitalizations above $200 million and share prices above $2 as a three-month moving average. Final-round judges included **Hugh "Beau" Cummins III**, MBA '89, co-head of corporate and investment banking at SunTrust; **Thomas Kong**, BBA '08, a financial equities trader at Barclays Capital; and **Mohamed Yehia**, BBA '04, currently working for Optiver.

In the end a team from Michigan State University took the top prize of $3,000 with their pitch of DHT Maritime Inc., an independent tanker company with a fleet of more than 100 crude tankers and petroleum product carriers.

Stephen M. Ross, BBA '62, Tells Graduates, "You Are Lucky."



Stephen M. Ross, BBA '62, is acknowledged during the May 1 commencement.

New graduates will be challenged to realize, regroup, and reassert their passions on the quest toward career success, said real estate magnate **Stephen M. Ross**, BBA '62, speaker at the 2009 Ross School Spring Commencement.

Ross was bullish on students' professional prospects despite fallout from the economic crisis that began after they entered b-school. He urged graduates to look at the world through a new prism, something he is doing today at the helm of The Related Companies. He founded the company to develop, finance, and manage government-assisted rental apartments. Today Related oversees a portfolio valued in excess of $15 billion. But in response to the current business climate, Ross is seeking to transform the firm.

"Being a real estate developer today is an oxymoron," Ross said. "Reinvention is required. If there's no money, there's no business. We can't have a strategy of waiting. You must transform and adapt to the times and opportunities, which is what we are doing with Related."

It's a strategy Ross has followed throughout his career. Shortly after graduating with his BBA he took a job with Bear Stearns — and was soon fired.

The lesson? "Bear Stearns is gone. Steve Ross is still here."

Admittedly the two events are unrelated, but "it's still worth noting," Ross said. "I made that event the beginning of a life of entrepreneurship. You need to take control of your own destiny."

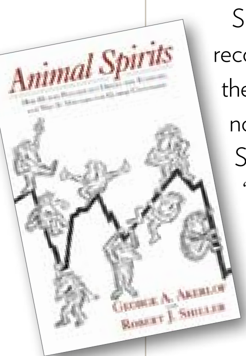
Ross advised students to avoid being skeptical, cynical, and critical during these turbulent times.

"I believe you are lucky to be graduating in this environment," he said. "The economic system is going through some fundamental changes. Experience is still helpful, but in many ways your inexperience might be a competitive advantage. Open minds, energetic thinking, new horizons: That is the order of your new day. Bring to your jobs and lives a sense of purpose, hope, and determined spirit, and the road traveled will lead to your destination of choice."

Ross also received the 2009 David D. Alger Distinguished Alumni Achievement Award during the commencement ceremony.

Economist Robert Shiller Brings 'Animal Spirits' to Mitsui Symposium

Powerful psychological forces are at play in the world economy, and the industry's leading thinkers would be wise to take note, says **Robert Shiller**, AB '67. He co-authored *Animal Spirits: How Human Psychology Drives the Economy, and Why It Matters for Global Capitalism* (Princeton University Press, 2009). In the text Shiller argues the types of stories we, as a society, tell ourselves about our economic fortunes directly impact whether those fortunes rise or fall.



Shiller is one of the few scholars widely recognized for sounding the alarm before the global economic crisis. He keynoted the 16th Annual Mitsui Finance Symposium, hosted at Ross in June.

"When we are trying to fix flaws in the current system, we have to consider the human factor," he said regarding such common foibles as blind faith or irrational panic. "Most macroeconomists' antiseptic description of what goes on in the economy denies what drives most people."

Shiller is the Arthur M. Okun Professor of Economics at the Yale School of Management. He also is a finance professor and fellow at the International Center for Finance at Yale. He wrote *Animal Spirits* with George Akerlof, 2001 Nobel Prize winner and the Daniel E. Koshland Sr. Distinguished Professor of Economics at the University of California, Berkeley.

"Think about what's happened since March," Shiller said. "The stock market was down about 60 percent from its peak in real terms, and it was looking really bad. Now it's getting better. Consumer confidence indices are up. What does the general public think about this? Listening to the media it would seem the public thinks confidence is driving the whole thing: 'We're getting our confidence back. This recession is over.' But that's totally different from the way most academic economists think."

Shiller and Akerlof's book takes its title from an expression dating back to ancient Rome. It's a medical term that refers to "animating spirits" and was popularized by John Maynard Keynes in the 1930s to describe the despondence that led to the Great Depression and the changing psychology that accompanied recovery. The second half of the title, *Why it Matters for Global Capitalism*, relates to Shiller and Akerlof's theory of bubbles, confidence, and contagion.

At the very least, behavioral economics deserves more play in academic texts going forward, Shiller said. "It gets some coverage," he admitted, "but it's generally not until the last chapter."

PHOTO BY STEVE KUZMA

Can Multiple Eco-labels on a Product Harm the Environment?

Professor Tom Lyon

Scholars addressed this and other questions at the first Alliance for Research on Corporate Sustainability (ARCS) conference hosted in May by Ross and the Erb Institute. Researchers from the University of Michigan, the University of Virginia, Duke, Harvard, Cornell, Stanford, and more gathered to analyze, assess, and critique one another's hypotheses, methodologies, and results in the growing field of sustainability.

The increasingly interdisciplinary nature of the field makes the need for an annual gathering of leading scholars more relevant today than ever, says **Andy Hoffman**, the Holcim (U.S.) Professor of Sustainable Enterprise and associate director of the Erb Institute.

"Researchers in economics, strategy, and public policy need to learn to speak each others' languages," Hoffman says. He suggests scholars move beyond thinking about how they deal with sustainability and "turn the arrow the other way to how sustainability issues give us different ways of thinking about our disciplines."

Attendees delivered research on topics as widespread as their burgeoning field — from the relationship between activism and corporate environmental performance to whether competition promotes environmental investments.

Ross professor **Tom Lyon**, director of the Erb Institute, presented "Competing Environmental Labels" at the conference. The research explores conflicting incentives driving NGOs and industry players to label products "green." As a rule, NGOs seek to minimize environmental damage while industry seeks to maximize profits. Lyon's initial research found NGOs apply tougher standards than industry in certifying products. But regardless of whether a product bears a single label generated by industry or NGO, some environmental benefit does result. The research also shows when NGOs and industry apply simultaneous labels to a product class, industry sets a lower standard than it would acting alone. When the two labels compete, the NGO loses participation in its label. This implies environmental damage may increase when multiple eco-labels are at play.

Lyon's results suggest a role for government in limiting proliferation of eco-labels in the marketplace. ARCS attendees suggested further research into consumers' reactions to and understanding of labels and their validity, and how certifiers' participation in profits from a product impact and possibly degrade the standards applied to an eco-label.

In addition to U-M, sponsors of the conference included Dartmouth, Duke, Harvard, the University of Virginia, and the University of Western Ontario. The annual conference will rotate among these schools.

VCs Analyze Diverse Issues at Zell Lurie Conference

Buffeted by fallout from the global financial crisis, today's venture-capital industry faces a far more challenging future than in past years. At the 2009 Michigan Growth Capital Symposium, experts from the venture-investing, entrepreneurial, legal, and government sectors offered strategic advice on how to survive and thrive in a difficult investment environment.

"The global economic crisis is like a boulder dropped in a pond," said keynote speaker Jonathan Seelig, managing director of Globespan Capital Partners.

Some looked for a silver lining in the dark cloud. "It's a tough time for Michigan and the U.S.," said **David Brophy**, director and founder of the symposium and finance professor at Ross. "But it's a good time for entrepreneurs."

The 28th annual conference drew nearly 400 participants. Panels addressed issues from the impact of the federal stimulus package on investments to cross-border investing in Canada. The event was presented by the Center for Venture Capital and Private Equity Finance of the Zell Lurie Institute for Entrepreneurial Studies.

Seelig, who specializes in IT and clean-tech investments, cautioned against standing on the sidelines until conditions improve. "The best capital investment firms out there recognize in the toughest of times you have an opportunity to build real, sustainable businesses that can be good, long-term companies," he said.

Seelig cited digital syndicated media, biotechnology, biopharmaceuticals, information technology, and clean technology as growth areas.

Entrepreneurs, meanwhile, must rethink expectations. Ned Hill, managing director of DFJ Mercury, advised participants to "make sure you have truly disruptive technology with a big potential market" and to think about ways to validate new technology using minimal capital. "We also want to see customer traction and an opportunity to hit break-even at a low revenue," Hill said.

Alain Rothstein, a principal at Vicente Capital Partners, said opportunities exist to invest in sound companies with a time horizon of four to seven years. "It's a great time to build great businesses," he said. "But they must have a plan to make their cash last."

Read more at www.bus.umich.edu/newsroom.

Faculty Kudos, Awards, & Appointments

The Millstein Center for Corporate Governance and Performance at the Yale School of Management awarded **David Hess** a 2009 Rising Star of Corporate Governance Award earlier this year. The annual award recognizes global corporate governance professionals under age 40 who are making a mark as outstanding analysts, experts, activists, or managers. Hess is an assistant professor of business law.

Herb Hildebrandt, professor emeritus of business administration, received an Honorary Doctor of Humane Letters from his undergraduate alma mater, Wartburg College. The Iowa-based school honored Hildebrandt at its spring commencement for his extensive research and teaching on Chinese and U.S. intercultural managerial communication.

In 2008, students in the Integrated Product Development course created urban shopping carts.

E. Han Kim, Fred M. Taylor Professor of Business Administration and professor of finance and international business, was elected chairman of the board of Korea Telecom in March. The company is the largest telecom provider in Korea and is listed on the New York Stock Exchange. Kim also is director of the Mitsui Life Financial Research Center and director of the East Asia Management Development Center at Ross.

Ken Lieberthal, William Davidson Professor of Business Administration, Arthur F. Thurnau Professor of Political Science, and distinguished fellow of the William Davidson Institute, has retired from the University after serving as a faculty member since 1983. He accepted an appointment at the Brookings Institution where he now is senior fellow in the foreign policy and global economy and development programs as well as director of the John L. Thornton China Center.

Bill Lovejoy (left, in blazer) was selected as one of five winners of the University of Michigan's inaugural Teaching Innovation Prize in early 2009. The campus-wide award is sponsored by the Office of the Provost, the Center for Research on Learning and Teaching, and the University Library to honor the most original approaches to teaching and creativity in the classroom. Lovejoy, the Raymond T. Perring Family Professor of Business Administration and professor of operations and management science, was cited for his achievements with the Integrated Product Development (IPD) course. He shares the prize with IPD collaborator Shaun Jackson, a professor in the School of Art & Design and the Taubman College of Architecture & Urban Planning.

Marketing professor **Norbert Schwarz** recently received the 2009 Wilhelm Wundt-William James Award at the European Congress of Psychology in Oslo, Norway. The award is given jointly by the American Psychological Association and the European Federation of Psychology Associations for enhancing and consolidating scientific collaboration between European and North American colleagues. Schwarz also is the Charles Horton Cooley Collegiate Professor of Psychology at the University.

Curriculum Changes Keep Pace with Economic Landscape

Policymakers and executives are not the only ones rethinking finance and the future of the world economy.

Ross has implemented changes to core courses in the MBA Program and elective courses in the BBA Program to help students better understand today's most relevant issues and events. The changes also reflect the school's emphasis on action-based learning.

In the MBA Program the redesigned management and organizations core will place a greater focus on leadership skills and managing in complex times. Students will apply key concepts, theories, and frameworks to a series of case studies, simulations, and role plays that will directly engage them in leadership and teamwork.

"Leadership is learned through action, experience, and reflection," says **Scott DeRue**, assistant professor of management and organizations. "This change to the curriculum will have an immediate impact on students' leadership experience in their MAP teams and internships, and it will provide a foundation they can build upon during their time at Ross and beyond."

Meanwhile, the financial accounting core will introduce cases and a learning approach to explore the types of management decisions leaders must make regarding the measurement of economic transactions.

"The new structure will give students the skills to assess and apply future changes in accounting standards rather than focusing on memorization of rules, which can quickly become outdated," says **Gregory Miller**, associate professor of accounting.

Changes to the BBA Program include several new finance electives that bring an action-based component to the classroom. New classes explore financial trading, real estate finance and investment, and alternative investments.

"The new courses expose students to updated knowledge of capital markets, investment, hedge funds, and more," says **Lu Zhang**, professor and chair of finance.

Ross Faculty Honored with Annual Awards

Dean Dolan presents Anocha Aribarg her award.

RESEARCHER OF THE YEAR

GERALD DAVIS, Wilbur K. Pierpont Collegiate Professor of Management; Professor of Management and Organizations

Professor Davis' book *Managed by the Markets: How Finance Reshaped America* (Oxford University Press, 2009) examines how finance replaced manufacturing at the center of the American economy. It details the consequences for corporations, banking, states, and households in the 21st century.

THE SANFORD R. ROBERTSON ASSISTANT PROFESSOR OF BUSINESS ADMINISTRATION

ANOCHA ARIBARG, Assistant Professor of Marketing

Professor Aribarg's recent research examines ways firms should manage multiple brands in product portfolios. She also is interested in integrating modeling techniques, conjoint experiments, and consumer behavior theories to understand consumers' decision-making processes.

BANK ONE CORPORATION ASSISTANT PROFESSOR OF BUSINESS ADMINISTRATION

SREEDHAR BHARATH, Assistant Professor of Finance

Professor Bharath focuses on corporate finance, credit risk, and stock market volatility. A recent study, "Why Do Firms Use Private Equity to Opt Out of Public Markets?" (co-authored with Ross professor Amy Dittmar), produced a model that predicts which firms will become private.

ARNOLD M. & LINDA T. JACOB FACULTY DEVELOPMENT AWARD

DAMIAN BEIL, Assistant Professor of Operations and Management Science

Professor Beil studies how bargaining power affects opportunistic pricing by suppliers and how procurement auctions should be designed to account for supplier qualification screening and quality levels. He also has analyzed therapy sequence scheduling for cancer patients and national organ allocation policies.

VICTOR L. BERNARD TEACHING LEADERSHIP AWARD

GAUTAM KAUL, John C. and Sally S. Morley Professor of Finance

Professor Kaul's research focuses on the behavior of stock and bond prices in the U.S. and other developed countries. His interests include asset pricing models, market microstructure, and the time-series behavior of stock prices.

VICTOR L. BERNARD TEACHING LEADERSHIP AWARD

LLOYD (LANCE) SANDELANDS, Professor of Management and Organizations; Professor of Psychology

Professor Sandelands' research focuses on the social and spiritual dimensions of life in organizations. He teaches courses in social and organizational psychology and management to graduate and undergraduate students in business administration and psychology.

ANDY ANDREWS DISTINGUISHED FACULTY SERVICE AWARD

WILLIAM LOVEJOY, Raymond T. Perring Family Professor of Business Administration; Professor of Operations and Management Science

Professor Lovejoy's research is in the area of capacity management, decision making with incomplete information, and supply chain management. His current research focuses on managing across functional boundaries, innovation, and healthcare.

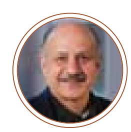
Students Cite Teaching Excellence

Recipients of the Neary Teaching Excellence Awards are presented at spring commencement. Award stipends are made possible by the generosity of **Robert D. Neary**, BBA '55, and **Janet E. Neary**, AB '54.

The Executive MBA Teaching Excellence Award was presented to **IZAK DUENYAS**, the John Psarouthakis Professor of Manufacturing Management, professor and chair of operations and management science, and professor of industrial and operations engineering.

The PhD Teaching Excellence Award went to **ANDREW GERSHOFF**, associate professor of marketing.

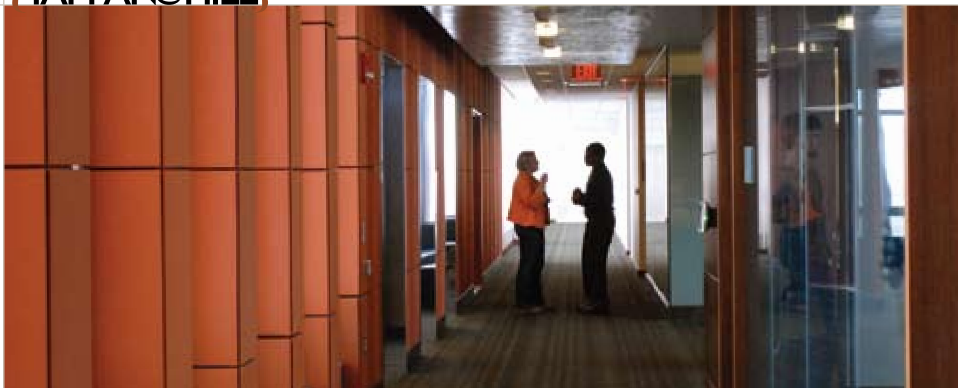
ANEEL KARNANI, associate professor of strategy, was recognized with the Global MBA Teaching Excellence Award.



GAUTAM KAUL, John C. and Sally S. Morley Professor of Finance, was awarded the MBA Teaching Excellence Award.

CHARLES KLEMSTINE, lecturer of accounting, received the Evening MBA Teaching Excellence Award and the MAcc Teaching Excellence Award.

OWEN WU, assistant professor of operations and management science, received the BBA Teaching Excellence Award.



New Scholars Join Ross Faculty

In preparation for the 2009-10 academic year, six new tenure-track faculty joined Ross in the areas of finance, operations and management science, management and organizations, marketing, and accounting.

Ing-Haw Cheng, assistant professor of finance, earned his PhD from Princeton University in 2009. His research focuses on corporate governance, executive compensation, and applied econometrics. He currently is researching executive compensation at financial firms and the effects of short-term debt on incentives for inefficient risk-taking.

Stephen Leider, assistant professor of operations and management science, received a PhD in business economics from Harvard University in 2009. He researches and analyzes how psychological factors such as reciprocity, social norms, and overconfidence affect economic behavior. He also has studied behavior in social networks as well as individual decision making about risk and uncertainty.

David Mayer, assistant professor of management and organizations, joins Ross from the University of Central Florida. He graduated from the University of Maryland in 2004 with a PhD in industrial/organizational psychology. His research concerns social and ethical issues in organizations, focusing on behavioral ethics, organizational justice, and workplace diversity.

Scott Rick, assistant professor of marketing, recently served as a lecturer in the Department of Operations and Information Management at the Wharton School of the University of Pennsylvania. He earned his PhD in 2007 from Carnegie Mellon University. His research focus is on the emotional causes and consequences of spending money. His current work on "fatal (fiscal) attraction" examines how feelings about spending money influence the formation and quality of romantic relationships.

Maxim Sytch, assistant professor of management and organizations, comes to Ross from the Kellogg School of Management at Northwestern University. He received his PhD from Kellogg in 2009. His research focuses on how networks of collaborative and conflictual interorganizational relationships emerge and shape firms' behavior and performance.

Christopher Williams, assistant professor of accounting, earned his PhD in 2009 from the University of North Carolina's Kenan-Flagler Business School. His areas of interest include the role of accounting information in capital markets, the reporting and regulation of financial institutions, and international financial reporting issues.

Ross also welcomes the following adjunct, lecturer, and visiting faculty members: **David Canter**, director of healthcare research at the William Davidson Institute and lecturer of business administration; **Steven Feenstra**, lecturer of law, history, and communication; **Ramesh Garg**, visiting professor of finance; **Steve Morris**, visiting professor of finance; **Steven Slezak**, visiting professor of finance; and **Frances Zollers**, visiting professor of law, history, and communication.

Faculty Promotions and Appointments

DEAN ROBERT DOLAN RECENTLY ANNOUNCED THE FOLLOWING CHANGES TO THE FACULTY ROSTER

FULL PROFESSOR WITH TENURE

HAITAO LI
Finance

PUNEET MANCHANDA
Marketing

LU ZHANG
Finance

ASSOCIATE PROFESSOR WITH TENURE

HYUN-SOO AHN
Operations and Management Science

AMY DITTMAR
Finance

ROBERT DITTMAR
Finance

JEFFREY SANCHEZ-BURKS
Management and Organizations

CLINICAL PROFESSOR

JEFF DEGRAFF
Management and Organizations

THURNAU PROFESSORSHIP

JIM WALSH
Management and Organizations

AREA CHAIRS

TOM KINNEAR
Reappointed to Marketing

M.S. KRISHNAN
Reappointed to Business Information Technology

FRANCINE LAFONTAINE
Reappointed to Business Economics

LU ZHANG
Appointed to Finance

THE EXECUTIVE COMMITTEE

Based on a faculty vote the following professors were nominated and subsequently approved by the University Regents to the Executive Committee. Appointments carry a two-year term.

WALLY HOPP
Operations and Management Science

CINDY SCHIPANI
Law, History, and Communication

JIM WALSH
Management and Organizations

PHOTOS BY STEVE KUZMA

Thought in Action } *quote/unquote*

"I take the Obama administration at its word that they don't want to run an auto company. The question is whether they will get dragged into it. There is a significant chance that will happen."

MARTIN ZIMMERMAN, Ford Motor Company Clinical Professor of Business Administration, on the goals of President Obama's auto task force.
– *Seattle Post-Intelligencer*, July 15, 2009

> ***"Marketing is never successful ... without a great product and great product strategy. That piece of it has to be fixed first."***

CHRISTIE NORDHIELM, clinical associate professor of marketing, advising GM on post-bankruptcy strategy.
– *Seattle Times*, July 10, 2009

"Will a customer be so off-put by the carbon footprint of an item at Walmart that they'll buy it at Kroger instead? Predicting the behavior of American consumers is what keeps those of us in business schools in business."

WALLY HOPP, Herrick Professor of Manufacturing and professor of operations and management science, on Walmart requiring suppliers to provide information about the environmental impact of their products.
– *Scientific American*, July 16, 2009

"Countries that have lifted people out of poverty have not done it through microfinance. It's been through the development of larger enterprises that create jobs ... [e.g.] creating garment factories rather than creating individual entrepreneurs by giving them each a loan to buy a sewing machine. Unfortunately, microfinance will grow and take in more public and private money."

ANEEL KARNANI, associate professor of strategy, doubting the effectiveness of microfinance in alleviating poverty.
– *Times of London*, April 28, 2009

"Americans saving more money than they have historically marks a significant change in the global economy. It means the U.S. will no longer provide the level of consumption the rest of the world has become accustomed to and built their economic models around. I see the potential for very substantial friction going forward."

KEN LIEBERTHAL, William Davidson Professor of Business Administration, Arthur F. Thurnau Professor of Political Science, and distinguished fellow of the William Davidson Institute, on the global effects of American spending.
– *The Globe and Mail* (Toronto), June 27, 2009

> **"The financial crisis has allowed Ford to say, 'Quit lumping us together. There is no Big Three anymore. Look at us for what we are.'"**

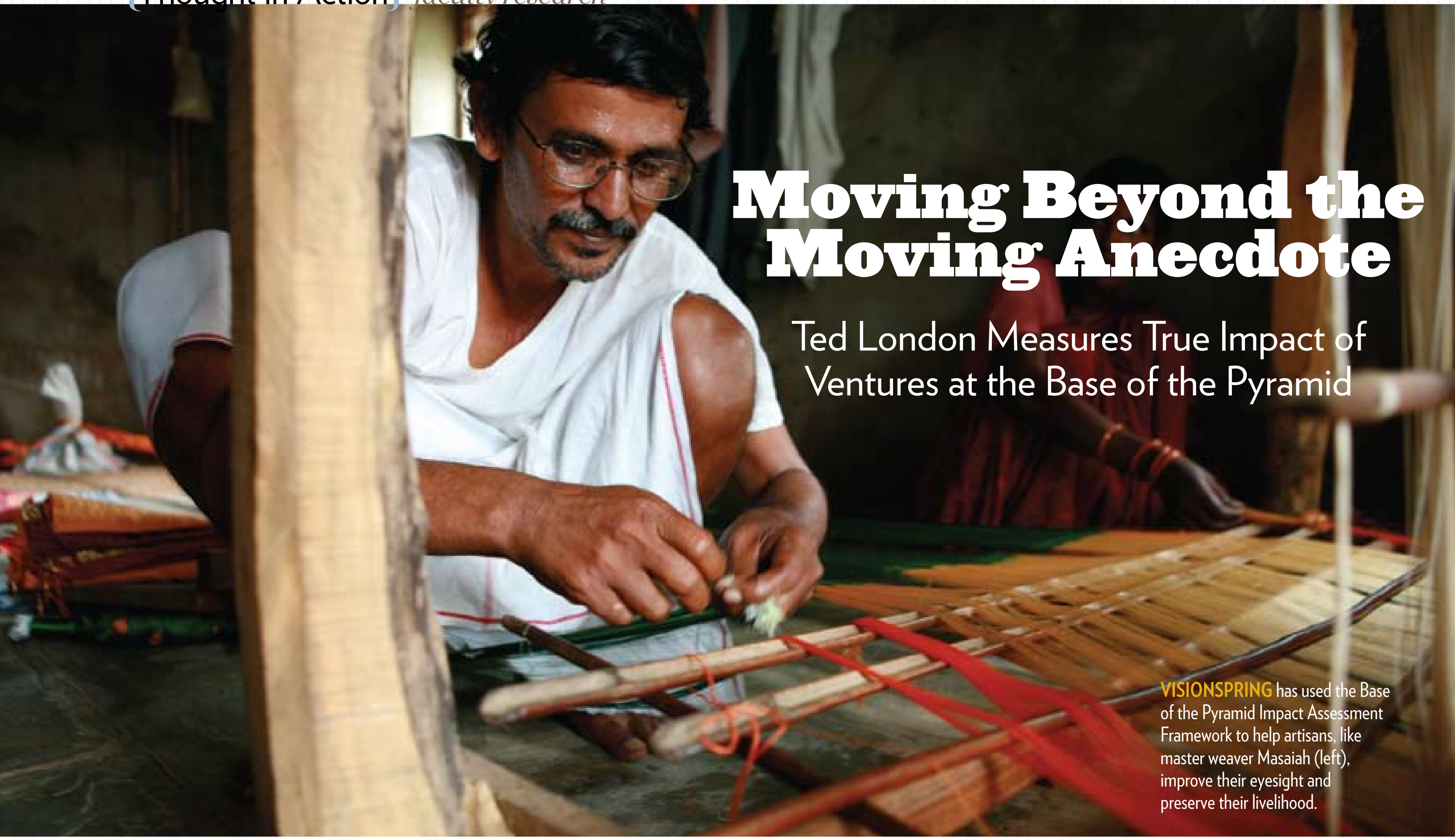
GREGORY MILLER, associate professor of accounting, regarding Ford's pact with the UAW.
– *U.S. News & World Report*, March 3, 2009

"Area codes, like other identifiers, can easily be put within people's social identity ... to the point where area codes can be used to clearly demarcate groups. They are meaningful as a cultural identity to the extent they are shared. It's when everyone has the same thing that it's a common identity. As these things get broken up over time, it may be something people don't get attached to any longer."

JEFFREY SANCHEZ-BURKS, associate professor of management and organizations, regarding potential new area codes in North America.
– *National Post* (Canada), June 12, 2009

> ***"Simplifying the tax system is unlikely to have much of an impact on noncompliance; it's worth doing for other reasons but doesn't seem to be in the cards. One out-of-the-box idea is for the IRS to reward or reimburse people who come through an audit relatively unscathed. It might be worth a try."***

JOEL SLEMROD, Paul W. McCracken Collegiate Professor of Business Economics and Public Policy and professor of economics, on a possible way to combat tax cheating. – *The New York Times'* Freakonomics Blog, March 27, 2009



Moving Beyond the Moving Anecdote

Ted London Measures True Impact of Ventures at the Base of the Pyramid

VISIONSPRING has used the Base of the Pyramid Impact Assessment Framework to help artisans, like master weaver Masaiah (left), improve their eyesight and preserve their livelihood.

For years, groups working on poverty-fighting ventures have used stories, anecdotes, and milestone markers to highlight their work and secure funding.

Unfortunately, these elements don't actually measure the effectiveness of an organization's effort. Nor do they showcase any unintended consequences, long-term changes, or missed opportunities. But Ross professor **Ted London**, after several years of field research, has developed the Base of the Pyramid Impact Assessment Framework, which organizations now can use to better assess the true impact of their work.

London's framework appeared in the May 2009 edition of the *Harvard Business Review* and is in use by nonprofit and corporate partners in Asia, Latin America, and Africa.

"We sometimes haven't taken good business sense and applied it to the poverty alleviation domain," says London, senior research fellow and director of the Base of the Pyramid (BOP) Initiative at the William Davidson Institute. He also serves as an adjunct assistant professor of business administration at Ross. BOP is a term that refers to people at the bottom of the global socioeconomic structure.

"What you mostly see," London says, "are a lot of anecdotes and output-based measures. But they don't really tell us much about the local poverty alleviation impact. In general, ventures are overestimating the good they're doing and underreporting, or not reporting, the negatives. I think it's completely inappropriate to not have a full accounting of what's going on."

The impact assessment tool was designed to be straightforward and simple to use. "We believe this framework can become a standard that a wide variety of organizations will use to benchmark their work over time," London says.

But his system is not an audited look back with "over-the-shoulder" judgments. Instead, the framework is an "assessing and enhancing" tool that looks forward and gives an organization a good idea of its own hits and misses.

"The framework allows venture managers to fairly quickly get an in-depth assessment of what the overall picture looks like in terms of their on-the-ground impacts," says London. "It also provides critical insight into how ventures can improve their poverty alleviation outcomes by enhancing the positive impacts and mitigating the negative ones. It's not unlike marketing: The better you understand those you are working with and whose needs you are trying to meet, the better you'll do."

PHOTO BY JOHN-MICHAEL MAAS / DARBY COMMUNICATIONS, COURTESY OF VISIONSPRING

FILLING IN THE BLANKS The framework has two main parts. The first is a strategic analysis that involves less number crunching and more fieldwork. It directs members of the organization to interview local buyers, sellers, and other members of the communities being served. All expected effects — positive and negative — should be listed in the economic, capabilities, and relationships quadrants of the framework, and some key questions should be answered: How will buyers' capabilities be affected? How about sellers' incomes? How will the venture change relationships — business and personal — in the community?

"In some sense, it is filling in the blanks, but it also takes a deep understanding of the local impacts of the venture's business model. That means you're going to have to hear the voices of a wide diversity of stakeholders," London says. "You don't want to do this from an office in New York. You want to talk face-to-face to people at the base of the pyramid and make sure your team is aware of the venture's holistic set of impacts."

Once the strategic analysis is complete the framework's next step is to use gathered material to create key short- and long-term metrics to track positive and negative effects. This involves collecting and analyzing data, but it isn't as difficult, time-consuming, or expensive as it sounds, London says.

The organization should collect baseline and post-venture data on local buyers, sellers, and communities affected by the work and, if possible, on a similar unaffected group to see what would have happened if the work hadn't been done.

"This will take a little longer because you have to establish the baseline and then follow up, but once it's in place it should be relatively straightforward to continue to collect that data over time as part of an organization's regular business operations," London says.

A CLEAR VISION One early user of the Base of the Pyramid Impact Assessment Framework is VisionSpring, which wanted to enhance the outcomes of its work in India. VisionSpring uses a microfranchising system to help address a common problem: blurry vision as people age. The company recruits locals to become vision entrepreneurs by setting them up with an eyeglass inventory, business forms, and the training and equipment to perform eye exams.

London says VisionSpring thought the venture was gaining ground based on the sales numbers from its vision entrepreneurs but knew it needed more substantial information to expand the effort. After performing the strategic assessment, VisionSpring found big potential in improving the lives of its buyers. In one market, locally produced weavings were in high demand but aging artisans were losing their sight. VisionSpring's glasses improved the quality of life for these artisans, helping them increase productivity.

But VisionSpring also identified some potential social land mines. In many areas, families are not used to women taking on new roles outside the household, especially as entrepreneurs. Armed with that knowledge VisionSpring sought to avert unnecessary strife by encouraging husbands and other family members to participate in the business.

VisionSpring then worked with London and colleagues at Ross to develop performance metrics. They measured changes in the level and stability of sellers' incomes and capabilities. They also looked at the relationships of the consumers and changes the business brought to the community.

"VisionSpring is always challenging itself," London says. "They thought they were doing well on the ground but felt they weren't sure what their true impacts were. They had the courage to say, 'We'll take the risk [of self-examination] because our goal is to alleviate poverty, not promote our organization.' Hopefully these activities aren't mutually exclusive."

› Professor Ted London's impact assessment tool applies "good business sense" to the poverty alleviation domain.

LOOKING AHEAD London thinks his framework can serve as a valuable tool for donors focused on poverty alleviation as well as members of nonprofit boards.

"Funders can ask the ventures coming to them for resources to please take some time and fill out this framework," he says. "It will tell a couple of things. If they struggle with it, then the venture team may not have a good understanding of what's actually happening on the ground. Funders can use this as a red flag to reject this request or maybe use it as an opportunity to work with this team to help them gain a better understanding of their poverty alleviation impacts. Additionally, once implemented, the ventures now have a standardized tool in place to improve their impacts over time."

A larger goal of the framework (and London's long-term research efforts) is to collect enough data from different ventures to make broad recommendations on the intersection of venture strategy and poverty alleviation outcomes.

"We don't know those relationships right now," London says. "As scholars we want to be able to assess poverty alleviation outcomes across multiple business ventures. We want to help the individual ventures but also say, as a field, 'What is the real impact of different types of ventures? Does it make business sense, does it make poverty alleviation sense, and how do you maximize those?' The key is finding the relationships among specific venture types and specific poverty alleviation impacts." *—Terry Kosdrosky*

Financial Market Makeover

The financial market crisis of 2008 spurred the Obama administration to propose some of the furthest-reaching regulations and reforms since the Great Depression. The apparent goal: to minimize systemic risk without decimating returns or squelching innovation. The package is still a work in progress, but the proposals touch nearly every aspect of the market — banks, hedge funds, investors, executive compensation, and consumers. **Sreedhar Bharath**, the Bank One Corporation Assistant Professor of Business Administration, sheds some light on what these proposals might mean for the financial markets. He illustrates the challenge of imposing smart regulation while limiting unintended consequences.

DIVIDEND: The Obama administration has proposed some sweeping reforms for the financial markets. Financial firms would have higher capital requirements. A new consumer financial protection agency would be formed. Hedge funds would be subject to more oversight. Are we on the right path here?

BHARATH: One thing we learned in the financial crisis: What we thought of as a bank was not really a bank. Our old notion was that of a bricks-and-mortar building with marble floors. Banks have tellers, they take your money, and they make loans. And rules and regulations were set up for such banks for a very long time. It became clear that places like Lehman Brothers and Bear Stearns were essentially doing the same functions as a traditional bank without all the trappings. You can call them shadow banks. When shadow banks got into trouble, they got the entire system into trouble. So a lot of the regulations, in spirit, are trying to make the shadow banks come into the mainstream and fall under the supervision of the FDIC and other government agencies.

DIVIDEND: The proposals would give the Federal Reserve a larger role and also give the government the ability to take over and dismantle a financial firm under certain circumstances. Is that smart, or does it invite potential for abuse? Where do you draw the line?

BHARATH: One issue is the question of rules versus discretion. For example, the Federal Reserve or the government could have intervened before the 2008 crisis, even when things were going well, but they chose not to. Giving them more power would be much better if it were in the form of rules rather than discretion. So that would be the important question: whether these powers are codified or whether they're up to the discretion of regulators. For example, when you say the Obama administration proposes a government role to intervene and take over a failing bank, when should they intervene? That obviously would be the question, and it's very hard to answer.

DIVIDEND: Lehman Brothers was allowed to fail, but not AIG. So is the administration trying to build some certainty as to where and when it *will* step in and where and when it won't?
BHARATH: In principle, building some certainty about intervention is great. But how do you identify the right time to intervene? When do you say the systemic risk is excessive? There's no clear, objective way people would agree on that. So the fact that the administration recognizes this issue of systemic risk is a very important step. The key is to make it operational and say, "This is the point where we would intervene."

DIVIDEND: And you're saying it's almost impossible to pinpoint?
BHARATH: Almost impossible. People could say the government intervened for a personal reason or to teach the CEO a lesson. Or they could say it didn't come in early enough. It always is subject to the motives of the actors who are going to implement the rules. And a reasonable case can be made either way.

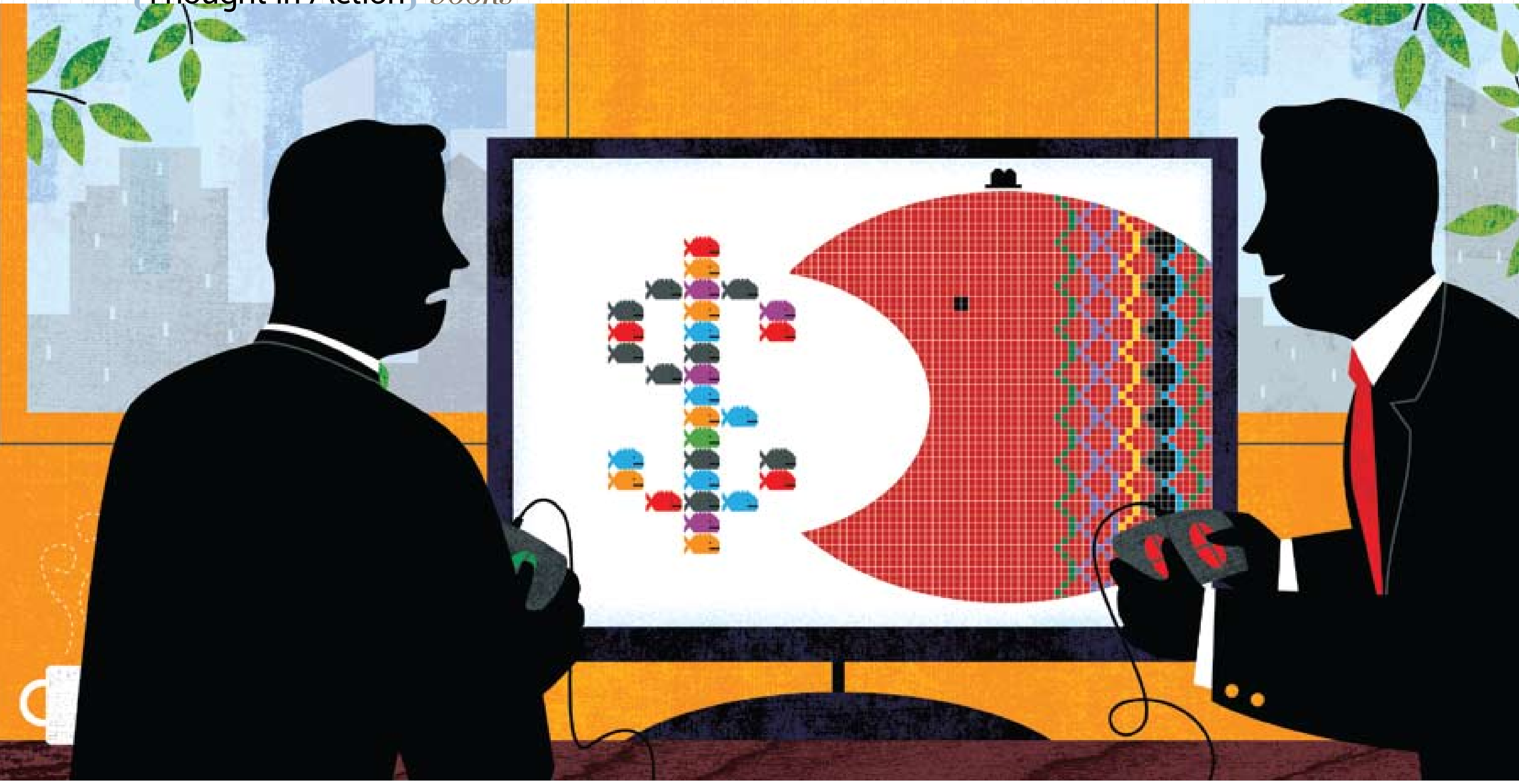
DIVIDEND: Should they even try?
BHARATH: Yes. Having some clarity on this is better than no clarity, knowing full well that when things go bad, the government is going to intervene. You're trying to clarify the rules for the market participants as much as possible. So in that sense it is helpful. The question is how to implement this, and we don't know yet.

DIVIDEND: One of the proposals puts executive compensation under more scrutiny. How does that fit into financial market reform?
BHARATH: Management's motivation is driven in part by enhancing their bonuses. And the way you set up their reward system obviously has a very large bearing on how companies are going to be run. And how companies are going to be run has a large bearing on how they interact with each other and create system-wide risk, which might not be shared by any one of them. It's what economists mean when they talk about negative externalities. Any benefit to the executives from taking certain risks is theirs and theirs alone, while we (as a society) experience the cost of these actions. This drives a wedge between profits being private and losses being social. That is, in principle, what the Obama administration is saying. It wants the executives to take positions that align them with shareholder interests. But how? Those specifics are not yet in the proposal. Adding those specifics could lead to micromanaging, and that's the concern.

DIVIDEND: Other big moves being discussed would require financial firms to carry more capital and create a consumer financial protection agency, which could include mortgage regulation. Could this affect the price and availability of mortgages?
BHARATH: Asking these banks to hold more capital is a good thing because they're taking risks. If there are losses, then there would be enough capital to absorb them. So in that sense it is a good thing. But one thing the crisis made clear is that banks should hold the capital in very liquid assets, which can be used on very short notice. A lot of the capital was in illiquid securities (i.e., the houses that backed the mortgages), which were not easy to get rid of when panic set in. The tradeoff is that it will make business more costly for these firms because they're holding capital and investing in liquid securities that may not give them adequate returns to cover that cost. So you would see that higher cost being passed on to the ultimate consumers of these products, that is, people like you and me and also corporations. We all would pay higher interest rates.

› Professor Sreedhar Bharath says forthcoming financial market regulation must address systemic risk.

DIVIDEND: Of the proposals you've seen, which would be the most helpful and which would be the least helpful?
BHARATH: The most helpful one recognizes that systemic risk has to be regulated. Until now, regulators did not pay attention to the fact that a big entity going down can collectively take everyone else down. Also, requiring banks to hold more capital — and ensuring the capital is available so there's a sufficient buffer if things go bad — can help prevent a liquidity crisis in the future. Guidelines on determining when systemic risk is excessive and when intervention would happen also would be helpful. Those types of issues are the most positive things to come out of this. The least helpful aspects I see are the proposals for executive pay, educating consumers, and regulating individual products and services of banks. Those are the ones you might not want to see because you would end up telling companies and people how to run their business. *—Terry Kosdrosky*



New Game Strategies to Create and Capture Value

In his book *Strategic Innovation* (Routledge, 2009), strategy professor **Allan Afuah** demonstrates the value of new game strategies to gain competitive advantage in the face of rapid technological change and globalization. It's not enough to simply create value in new and different ways, he says. Nor is it sufficient to merely capture value. To compete and win, firms must do both.

In this new text designed for both managers and students of management, Afuah examines contemporary strategy from an innovation standpoint with several key advantages including a detailed, change-inclusive framework for assessing the profitability potential of a strategy or product.

DIVIDEND: Let's start by talking about strategic innovation in the most general sense.

AFUAH: By strategic innovation I mean a game-changing innovation, not only in products and services but also in business models, business processes, and the way you position yourself vis-a-vis co-opetitors. People tend to think about products and services when they talk about value creation, and that's fine. But we are finding a business model innovation may be more profitable than a product or service innovation. Look at Google. It's a great company with great search engines and a great brand. But what made them profitable had a lot to do with paid listings. It's not just about coming out with new products or services but changing your framework for making money.

DIVIDEND: This summer Google announced it would launch an operating system for PCs, which appears to be a direct attack on Microsoft. What does this latest move reveal about the way Google is playing the competitive game?

AFUAH: Some would say Google is doing this to keep Microsoft occupied and worrying about operating systems so Microsoft won't be able to attack Google effectively in the search business, as it's trying to do with Bing. I believe Google is looking forward to what may be a disruptive technology. People are moving toward so-called cloud computing, where almost everything you need is going to reside in banks of servers somewhere instead of on the desktop. Even if you have a small netbook computer, you can access information in these banks of servers by way of the Internet. So by introducing this operating system Google is trying to get into that growing business. For now, Google's operating system is not something that will be

ILLUSTRATION BY MICAHEL AUSTIN

competing with Microsoft on the desktop. It will be competing on netbook computers connected to the Internet. These netbooks are gaining a lot of favor especially with younger people. If Microsoft does not react well, then Google's operating system may improve to a point where it can be used on desktops, posing problems for Microsoft's very profitable operating system business.

DIVIDEND: What do you think about the upcoming alliance between Microsoft and Yahoo?
AFUAH: The proposed alliance is a good start for both firms. Yahoo gets to cut some of its costs, and Microsoft gets extra revenues. However, to be a game changer against Google, both firms must do something compelling enough to attract and keep Google's customers or win a higher percentage of customers to Bing (over Google) than they presently do. From the details of the alliance released so far, there does not appear to be anything game-changing when it comes to competing and winning against Google.

DIVIDEND: You have a framework called the AVAC analysis that anyone can use to evaluate the potential of a new game strategy, no matter the scale.
AFUAH: AVAC stands for activities, value, appropriability, and change. The idea behind it is very simple: If strategy is about performance and competitive advantage, shouldn't there be some way to evaluate the profitability potential of your strategy? So if you define strategy as a set of activities a firm performs to create and capture value, then profit is what says you have a competitive advantage. When you think that way, the problem of assessing the profitability potential of a strategy becomes a lot simpler. And remember: If there's change or the potential for it, you want to know if the activities you are performing allow you to take advantage of that change. If not, someone else will.

DIVIDEND: Crowdsourcing is an issue you explore in the book. Let's talk about it in terms of new game strategy.
AFUAH: Crowdsourcing is a way firms use the public to seek solutions to issues, challenges, and problems. For example, a company in Alaska was researching ways to keep oil from freezing. After speaking to a number of specialists — and getting no results — they reached out to a company called InnoCentive, which facilitates crowdsourcing on behalf of companies. InnoCentive posted the problem online and invited the public to offer solutions. The oil company got a solution by way of the concrete business. By the old paradigm the firm would have spent millions hiring all kinds of consultants and experts to reach a result. The beauty is the solution may come from a resource you don't normally use or never thought about — and it costs a lot less.

DIVIDEND: Reverse positioning is another type of new game strategy. You cite the Nintendo Wii as one example where it worked really well.
AFUAH: When Microsoft and Sony introduced their own consoles and video games, they went after the latest technology and graphics to satisfy hardcore gamers. But that new technology cost a lot, and the firms had to recoup what they lost in consoles by way of game sales.

Then Nintendo came in and said: "Wait a minute. There may be people who don't want to spend that much time on a game or may be totally frightened by all these buttons. Suppose we go after old technology that nobody pays much attention to and doesn't cost too much?" Wii still meets the requirements of those who want to play but don't care about tantalizing graphics. And with each console Nintendo ships they already are making money.

I mentioned netbook computers earlier. They may not have as much memory, and they're not very sophisticated. But they can cost less than $500 and do what many customers expect from PCs. Taking advantage of such white space is a good example of a new game strategy. You are doing things differently. You are entering a product space no one is in at the moment.

› In his new book, Allan Afuah shows ways firms can pursue new game strategies to create and capture value.

DIVIDEND: You mentioned the term co-opetitors earlier. When I read that in your book, I thought at first it was a typo. Can you elaborate on that term?
AFUAH: The whole idea behind co-opetition started about the time the Internet was really taking off and more people started to understand complementors — people who produce products that complement your product. Think of oil companies and car companies. If there's no gas, people won't buy cars.

Look at your suppliers, your customers, even your competitors. There will be times when you cooperate with them. And when you cooperate, keep in mind that you have to try to capture some value there. And when you compete, there are ways to cooperate and still come out ahead.

Imagine you are making a pie. You need a piece to bring home — and a bigger one than the other guy. But don't take all the pie or your competitor will starve to death and there will be no one to work with next time. At the same time if you simply celebrate about the pie you created, someone may take the whole pie when you're not paying attention. And you go hungry.

We still live in a world where some people think strategy is only about how much value you can capture. Others think it's not just about capture but how much value you can create. I'm saying it absolutely has to be sbout both. *—Deborah Holdship*

Q: What are you thinking about?

A: CONSUMER BEHAVIOR AND SOCIAL NETWORKS

*Marketing professor **Puneet Manchanda** focuses his research on building empirical models to address such strategic marketing issues as the role and use of social media, resource allocation, word-of-mouth marketing, and customer relationship management. His most recent work has focused on marketing strategy problems in the online media, pharmaceutical, high-tech, gaming, and insurance industries. Manchanda is an associate editor at* Management Science *and* Quantitative Marketing and Economics, *and he is on the editorial boards of several marketing journals. In a recent survey published in the* Journal of Marketing, *Manchanda was named one of the most prolific marketing scholars from 1992-2006.*

What are you thinking about? I'm focusing on online interactions, typically lumped under the umbrella term "consumer-generated media," to better understand consumer behavior and derive implications for companies.

Why is it interesting to you? Companies cannot just use a one-way communication strategy anymore. Today consumer reaction/involvement plays an important role in shaping communication, product design, and perhaps even market share, sales, and profits.

But we don't have much clarity about whether there is a change in market outcomes based on consumers' changing roles (in terms of media creation and dissemination). And if there is a change, how should we measure it and act on it? I'm working with Ross doctoral students Hiroshi Ohnishi, Grant Packard, and Adithya Pattabhiramaiah to answer these questions using novel data and models.

We asked, "Do blogs matter?" (not just in terms of activity but also in terms of outcomes). We looked at product launches in three Japanese markets (bottled green tea, movies, and cell phones) and found the volume of blogs post-launch is predictive of actual sales. We also found that the pre-launch use of traditional media (i.e., TV advertising) increases blog volumes but has no effect post-launch. In other words, company actions prior to launch get consumers talking and influencing each other on electronic media, leading to a strong relationship between blog volumes and sales. We believe this is the first study that relates blogging activity to market outcomes and documents the relationship between "old" and "new" media (TV ads vs. blogs).

Another interesting finding from a different analysis suggests that an individual's online network is essentially a replication of his/her offline network. That is, electronic media only seem to facilitate the sustenance of physical networks rather than act as a conduit for consumers to build broader and richer networks.

What implications do you see for industry? Take the role of online brand communities: It is never clear whether these communities play a causal role in influencing outcome behavior. We looked at data from one of the largest entertainment and media product websites in North America. We found that just becoming part of the brand community seemed to causally increase the amount spent by brand community participants by about 25 percent. We now are digging into the exact mechanics of the increase so we can compute the social multiplier, which represents the free benefit to companies via amplification of social entities influencing other entities. Then we can advise the company on the best use of resources.

Sometimes firms try to use or manipulate social media without understanding the impact of their actions. We studied one brand community in which some of the firm's employees joined the community and recommended products. They did so in a completely transparent manner. Even so, their recommendations had a modest negative effect on sales. This was very surprising since the anecdotal evidence from the firm was that recommendations from employees in the offline world generally influenced sales in a positive manner.

Companies would do well to invest in systems to track and analyze consumer-generated media. The "holy grail" is the detection of a link in which members in a network causally impact other members' behavior. If this link exists, companies can use the data to come up with the social multiplier and allocate their resources in a more optimal fashion.

—Deborah Holdship

PHOTOS BY STEVE KUZMA

A: 401(k) 101 *Looking at your 401(k) statement these days can be a downer. During the good times it's easy to forget that linking retirement savings to the gyrations of the market carries risk. But the law hasn't really caught up to that reality, says* ***Dana Muir****, the Arthur F. Thurnau Professor of Business Law at Ross. She was a delegate to the first and second White House/Congressional National Summits on Retirement Savings and has served as a Congressional Fellow. As the government mulls an overhaul of financial regulations, Muir would like to see laws that make it easier for 401(k) participants to receive investment advice.*

What are you thinking about? Increasing numbers of 401(k) plans at firms automatically enroll new employees. People can opt out, but the tendency to stick with the status quo means most workers stay. That increases the number of people saving through these plans. Those individuals usually are defaulted into a diversified investment option. So arguably they are in a more suitable investment vehicle than they might have chosen for themselves. More participation and better investment allocations mean the system is making progress.

But another factor that could make a difference for many participants would be increased access to investment advice. Some participants won't want auto defaults. The theory of 401(k) plans is that the money in the accounts is the participants' money. They assume the responsibility and all the associated risks in accumulating enough to fund their retirement. With that responsibility and risk comes the right to decide how much and what types of risk to accept — if they want to make those decisions. Many people will want investment advice to help them make good decisions.

Currently the law discourages many investment advisers from giving advice on assets held in 401(k)-type accounts. In 2001, the Department of Labor partially addressed the problem and the availability of advice increased. But Congress and the Department of Labor have been struggling with how to regulate the ability of financial institutions (such as mutual fund families) to provide investment advice regarding their own products.

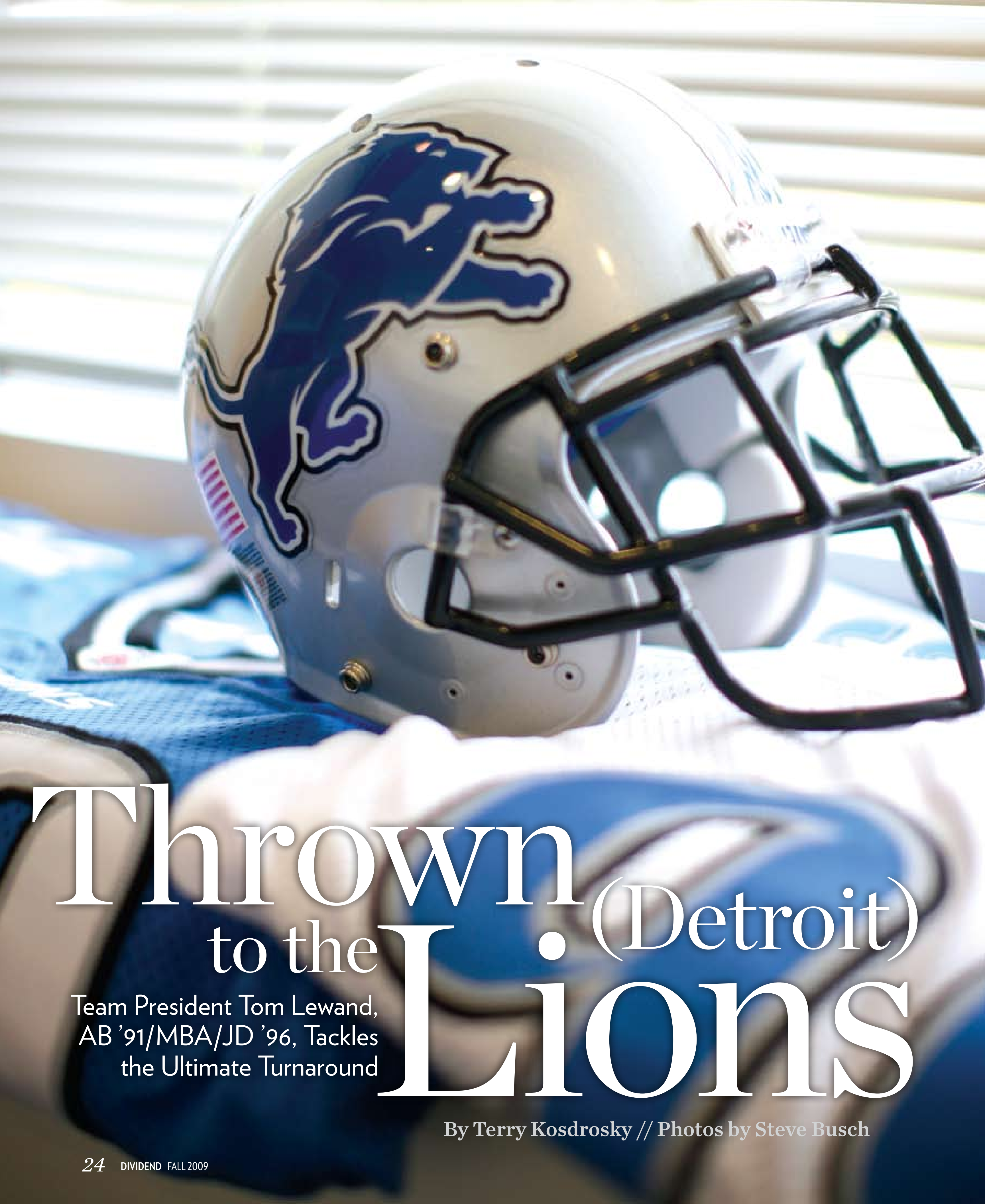
Why is this interesting to you? The financial crisis reminded everyone just how much risk employees and retirees have taken on in 401(k)-type plans. The news reports are full of stories of retirees going back to or looking for work and of employees delaying their retirement dates. At the same time, Congress is considering severe restrictions on financial institutions' ability to provide advice, which would significantly reduce the availability of advice just when people need it most.

The role of regulation is to assist in making good decisions without being overly intrusive. We owe it to those people who want assistance in making 401(k) plan investment decisions to get the law out of their way.

What implications do you see for industry? The most important implication is that better investment decisions mean higher accumulation levels for employees and thus more retirement assets for retirees. Good investment choices will be very important as the financial markets recover. Some people moved into more conservative investments, and they could miss the upswing. Other participants could benefit in different ways from investment advice.

Better investment decisions also are good for the employers who sponsor plans because those employers have an interest in ensuring the money they spend sponsoring plans translates into the highest possible compensation for employees. In addition, there are implications for mutual funds, which are the primary investment product held in 401(k) plans. More thoughtful choices of mutual funds would mean increased investments in funds that have strategies appropriate for retirement accounts, have low costs, and perform well within their category. Most broadly, higher accumulation levels in plan accounts will result in fewer pressures on government support for baby boomers as they reach retirement. This is especially important given the longer-term funding challenges faced by the Social Security and Medicare programs.

—Terry Kosdrosky



Thrown (Detroit) to the Lions

Team President Tom Lewand, AB '91/MBA/JD '96, Tackles the Ultimate Turnaround

By Terry Kosdrosky // Photos by Steve Busch

The year 2008 saw a series of unprecedented events: General Motors staring down bankruptcy. Lehman Brothers left to fail. And a team in the National Football League going 0-16. In a country — and particularly a city — full of turnaround jobs, perhaps the most visible belongs to Tom Lewand, AB '91/MBA/JD '96. He is president of that particular NFL team, the Detroit Lions.

Until last year, Lewand served as the Lions' operations guru. Ensconced mostly behind the scenes, he managed player salaries, negotiated player contracts, and oversaw the building of home stadium Ford Field. He also worked with corporate sponsors and helped bring Super Bowl XL to the Motor City.

During the 2008 season, however, the Lions' owners made a change that would heighten Lewand's profile. They axed embattled President and General Manager Matt Millen. And once the regular season wrapped, Lewand was promoted to Lions' president while Martin Mayhew ascended to general manager.

Though Lewand has been with the franchise for 15 years, his new position isn't just a move to a bigger office. It's a whole new ball game.

"It changes a lot," Lewand says. "Ultimately, the responsibility now falls on me, Martin Mayhew, and Head Coach Jim Schwartz to make sure the organization is going in the direction it should. You can have responsibility for certain things in life, but when you have the ultimate responsibility [for an organization], that makes a big difference."

For Lewand that means more than directing a pro football team. He's trying to lead the Lions into a new era. More challenging could be his quest to make fans forget the recent past, one that hasn't been kind to the franchise. The Lions have never been to a Super Bowl and count only one playoff win since 1957. Their last playoff appearance was in 1999. Hardly kings of the jungle.

HAIL MARY In a way, Lewand's job mirrors the reality at many distressed companies, some of which are a short ride from the Lions' suburban Detroit headquarters. Though the team hasn't faced financial distress itself, the Lions are coping with a tenuous local economy that has fans and corporate sponsors pinching pennies. As if coming off a winless season wasn't bad enough.

The pressure to improve the product — in this case, the football team — has never been more intense. And Lewand knows the economic downturn won't cut it as a reason for not winning on Sundays, either with team owner William Clay Ford or with fans and the media. For all its financial woes, Detroit remains a robust sports market. The city's other three major pro sports teams have scored success and achieved championships in recent years, making the Lions' struggles all the more frustrating for football fans.

Lewand is keenly aware of what he's up against. A former high school football player and student manager for the University of Michigan football team, he knows the unforgiving nature of the sport. That's why he and Mayhew didn't waste their introductory press conference on a lot of pointless, feel-good talk.

"People talk about opportunity and what a great opportunity the position I have can be," Lewand says. "I look at it as a responsibility. It's a responsibility to our owners, to the people who work for this organization, to the fans who support us, and to the community we live in, which seems to be at the epicenter of a lot of the economic challenges facing our country. The Lions are a very public organization and should be held to a higher standard."

RESTORING THE ROAR Lewand and Mayhew began the turnaround task by focusing on the core product — the football team. Everything else in the sports business cycle — more ticket sales, better TV ratings, and increased revenue through corporate sponsorships — starts with winning.

The first step was hiring the right head coach, a person who wields a huge influence on the direction of a team. For that, the Lions tapped former longtime Tennessee Titans defensive coordinator Jim Schwartz.

The next move was working with Schwartz

1

FIRST DOWN

On lessons learned from an 0-16 season.

"You really learn how people respond to adversity. It tells you a lot about a person and yourself. One thing I will keep with me about the experience is the dogged determination of our then-head coach, Rod Marinelli, for whom I have a lot of respect. He had the ability to keep forging ahead every day and never lost sight of the goal, which was to win that next game. Ultimately, we weren't successful in reaching that goal, but to stick together and have confidence enough that you feel capable of doing that is important."

2

SECOND DOWN

On setting a wage scale for rookies.

"I'm part of a group of club executives working with the NFL owners' management council on this very issue right now. We're looking at how rookie contracts work and how the pie is divided. There are a lot of veteran players who are deserving, who put in a lot of time in the NFL, and who have accomplished a lot. Those guys deserve compensation. Commissioner Roger Goodell has said it's going to be a focus of the upcoming negotiations."

to overhaul the roster. They looked for the right mix of experience, youth, speed, and size. Lewand, Mayhew, and Schwartz wanted to build a team that could win late-season games in the hostile, bad-weather cities of Chicago and Green Bay. To that end, the Lions acquired some big-name veterans such as Pro Bowl linebacker Julian Peterson, formerly of the Seattle Seahawks, and linebacker Larry Foote, a former U-M star fresh off winning a Super Bowl with the Pittsburgh Steelers.

Preparing for the 2009 draft brought its own challenges and required more coordination than usual. The previous 0-16 season guaranteed the Lions the number-one pick, but there was no clear consensus from experts on the top player. The draft is one of the most critical events for an NFL front office, and a team's scouts work long hours to compile the ideal "draft board" of available players, all ranked and rated.

Most of the scouts' work is done during and right after the college football season. But the Lions switched top management and head coaches late in the process. A new playbook came down to the scouts: Schwartz wanted a bigger team with more emphasis on running and stopping the run.

"The scouts thought they were looking for one thing with one coaching staff," Lewand says. "Then they come in here in January and, lo and behold, there's a new coaching staff looking for a whole new set of things. So it was a challenge for both coaches and scouts to reconcile some things and have the debates to set up that draft board. It's not about who's right. It's about getting it right. And the process we went through in March and April is distinctly different from what we've done in the past."

The Lions selected former University of Georgia quarterback Matthew Stafford with the first pick, which garnered a mix of criticism and praise. Stafford inked a six-year, $72 million deal, with $41.7 million guaranteed. And while it may take a few years to assess the value of that move, Lewand says he has no doubts about the process that he, Mayhew, and Schwartz used to make their play.

"We didn't go into this saying, 'We need to take a quarterback,'" Lewand says. "We went into it saying, 'We need to take the right guy for us. It could be a linebacker, it could be an offensive tackle, but it must be the one that fits us best.' That led to what was ultimately a very easy decision."

Schwartz, in his draft-day press conference, noted the calm atmosphere in the war room — where management and scouts gather during the draft — and the wide consensus on the picks. In his 17 years in the NFL, he said it was the most agreement he's ever seen on a top draft pick.

THE KICKOFF The draft may have gone smoothly, but Lewand's challenges were just beginning. Now he had to tame a fan base that not only was disappointed by a winless 2008, but also was battered by a crashing national and local economy. Business as usual was not an option.

This season the Lions are offering partial season-ticket plans and will continue to focus on group sales. One plan gives customers the option of picking three games on the schedule. The team also has introduced an "all-you-can-eat" option where the ticket price includes unlimited basic snacks such as hot dogs, popcorn, nachos, and soda. The idea is to give fans more choice, more value, and, in the case of the all-you-can-eat option, a fixed price for the day.

The team also hosted a summer picnic during a mini-camp practice for former season ticket holders who have cancelled since 2002. The goal was to demonstrate what the franchise is doing to guarantee a team worth watching.

Lewand lists the steps he's taking in a matter-of-fact manner. He knows talk is cheap and doesn't want to waste any time with empty promises.

"There's nothing we can say that's going to give people this changed perception of the organization," Lewand says. "There's nothing we want to say. It's what we want to do. There is no accomplishment in my career that I point to. Until we get to our goal of making this a championship football team, then we've fallen short. So our philosophy is, 'Have a good day today.' There's no long term or short term. It's focusing on getting it right today. You do that and, before you know it, you've strung together a lot of good days."

So far, Ford's moves to promote Lewand and Mayhew seem to be sitting well with NFL brass. Commissioner Roger Goodell called Ford last year, offering some names to replace Millen. But he appears to have no problem with Ford promoting from within, expressing confidence in the pair when he attended a Lions summer practice.

"I gave him additional names that he could think about, and the great thing is he had two great people right here," Goodell told the *Detroit Free Press*. "I think they've proven themselves already in the short term, and I know they're determined to show it in the long term."

CAREER COUNTER RUN Lewand never expected his own long term to include a 15-year stint in sports. Early in his career all signs pointed to a future in investment banking or law. But on closer examination, football did score points as a possible option. As an undergrad at U-M Lewand volunteered as manager for the Wolverines' football team, helping the coaches prepare for game days. As a graduate student at Ross he contributed to scouting reports and play scripts.

"It was a hobby for me, something fun to do away from law school and business school," Lewand says. "It was really enjoyable, and I was passionate about it."

After some summer jobs at the White House and law firms in Chicago and Detroit, Lewand met Chuck Schmidt, the longtime COO of the Lions. Schmidt told him that while the Lions didn't have any openings, there was a sudden demand in the NFL for people with a background in finance, contracts, and sports. The league's then-new collective bargaining agreement (CBA) with the players' union had created a salary cap with a complicated structure.

Then William Clay Ford Jr., son of the team's owner, called and asked for a meeting. The younger Ford had assumed more business responsibilities with the Lions and wanted to hire Lewand to help manage

CAP IT OFF Lewand first joined the Lions as a salary "capologist."

3

THIRD DOWN

On dealing with public criticism.

"If you get caught up in the criticism and listen to people who are saying things that are either too negative or too positive, you can really lose focus. And if you lose focus, you're going to compromise your ability to succeed."

4

FOURTH DOWN

On his approach to management.

"I try not to get caught up in descriptive terms. In our business you have to be very focused on the product you put on the field. Then you have to surround yourself with good people and let them do their jobs. When we've had success as an organization, it's because we had good people who understood their roles, were talented at what they did, and had confidence the organization would support them as they did it."

"EVERY SUNDAY IN THE FALL THE ENTIRE WORLD SEES THE RESULTS OF YOUR BUSINESS."

the team's cap, a job that has come to be termed "capologist."

"We just hit it off," Lewand says of Ford Jr. "He said I would start by helping Chuck with the cap and just sort of learn the business. So I was tremendously fortunate to meet Bill; he's really been a mentor to me. And thank God for the CBA."

REACHING FOR THE END ZONE In sports, subjectivity is the name of the game. There's no sure-fire mathematical model that can identify for management which player to select in the draft or who to sign as a free agent. So in their best effort to make an objective call on Stafford, the Lions organization reached out to people in the quarterback's Texas hometown, examined his high school film, and subjected him to long interviews. Meanwhile, the head coach, position coaches, and scouts all added opinions and analysis. For Lewand, the process harked back to his b-school days.

"It was like a MAP project," he says, "where you're working with people from different cultural backgrounds, different educational backgrounds, and different professional backgrounds and you're all trying to solve complex problems. And you try to come up with a good, objective solution to a very subjective problem."

It all sounds very business-like, and that's what it takes to succeed behind the scenes, even in the fast, violent sport of football. So while Lions fans won't see Lewand spiking any balls in the end zone, they can rest assured his head is completely in the game. He knows what's at stake: He's either part of a front office team that rebuilds a franchise in need of a makeover, or he could become another statistic in an industry known for rapid turnover.

That's a challenge Lewand is willing to run with.

"There's nothing like the competition in sports, knowing that every Sunday in the fall the entire world sees the results of your business and the competition involved in it," he says. "The emotions of that are unlike any return you can measure with any business metric."


Children's Hospital
Cleveland Clinic
Brian W. Duncan, M

THE HEART *of* THE MATTER

By Amy Spooner //
Photos by Raymundo Garza

Surgeon Brian Duncan, MBA '08, Gets Down to Business

"In a lot of fields the best clinicians also are the best innovators," says **Dr. Brian Duncan**, MBA '08. This former pediatric cardiothoracic surgeon speaks from experience. Today he operates as medical director for emerging businesses at Cleveland Clinic. "Being a pediatric heart surgeon has been a really gratifying career, one where every day I have felt like I was able to make an impact. In my current role I still have that same feeling, and in some ways it's on a broader scale."

OPERATIONS MANAGEMENT The cardiac surgeon-turned-entrepreneur now provides clinical context as well as management, execution, concept formation, and other business elements to the world of medical advancement. He spends most of his time at Cleveland Clinic Innovations, a biotech incubator for technology commercialization, where he oversees spinoffs based on intellectual property developed at the clinic.

"We perform a broad range of activities including new company formation and fundraising from venture capital sources," he says. "Then we take a very supportive and hands-on approach in the ongoing management and business development for these companies."

Formally created as the clinic's technology commercialization arm in 2000, Cleveland Clinic Innovations has 29 spin-off companies in its portfolio as well as about 200 annual licensing deals based on clinic technology. Spinoffs include ZIN Medical, which produces a remote, wireless patient monitoring system, and Renovo Neural, which pioneers multiple sclerosis therapies. In 2006-07, Cleveland Clinic Innovations generated about $15 million

Duncan arrived at his current role by way of a pediatric medical device and a degree from the Ross Executive MBA Program. As a working surgeon, he'd conceptualized a miniaturized ventricular assist device (a type of artificial heart technology) upon identifying an unmet need in his field. And he pursued his MBA upon identifying his own lack of expertise as the principal investigator on the $4.2 million grant his Cleveland Clinic team secured to develop it.

"I did not have much formal basis for making managerial and other business decisions that were associated with the project," Duncan says of the funds provided by the National Heart, Lung, and Blood Institute of the National Institutes of Health. "As I got more and more into the world of device development and innovation, getting my MBA seemed like a smarter and smarter thing to do."

> “I think we are an integral part of transitioning this economy from one that has been centered on heavy industry into one that is focused on green technologies.”

in revenue and its spinoffs were valued in excess of $70 million.

Where Duncan previously derived satisfaction from serving one patient at a time, he now is driven by the impact new technologies can have on the entire field of medicine. “It’s tremendously exciting and gratifying,” he says. “Cleveland Clinic Innovations is an unbelievable resource for our clinicians and scientists to get game-changing intellectual property out there.”

With patents pending Duncan isn’t able to discuss specific details regarding projects in development. However, he says much of the center’s work is focused on not just saving lives but also on improving quality of life through minimally invasive techniques and other therapies.

“We’ll still be focused on things that improve survival for many unmet challenges such as cancer and cardiovascular disease,” he says. “But the approach now is also to refine life-saving technologies to make it easier for patients to undergo some of these therapies — less invasive, less painful, delivered either closer to the home or in the home.”

SHOT IN THE ARM Despite an uncertain global economic outlook and shrinking budgets, Duncan is optimistic about the future of Cleveland Clinic Innovations. To him the center represents a new surge in business away from manufacturing and into emerging technologies.

“We’re expanding the biotech industry, creating new companies in the biotech space in the state and the region,” he says. “I think we are an integral part of transitioning this economy from one that has been centered on heavy industry into one that is focused on green technologies.”

Duncan pursued an MBA in order to develop his business skills — and acquired entrepreneurial acumen in the process. Now he is driven to share the story of his career trajectory with others. “I’ve always given a lot of clinically based medical talks,” he says, “but now I feel compelled to use that same platform to relate my experience and how important it is to tap into your own innovative spirit.”

Duncan admits when he was in medical school, he was completely focused on the clinical aspect of his training. “I said, ‘I don’t know anything about business,’ and I saw that as a sign of how focused I was on clinical performance. I look back now and realize I was wrong.”

Clinicians often are the first to see a need in the field, he points out, and there is a natural synergy between the realms of physician and innovator. “The more you find the need and develop these ideas — and you have some sort of ability to act or at least know where to go to get your ideas developed — I think it makes you a better clinician and a very valuable entrepreneur.”

Duncan clearly enjoys both roles. He still is actively involved in the research aspects of his miniaturized blood pump and the administration of the NIH grant he first pursued five years ago. “I went into all this to get help in the development of a very specific device, and it turned into my participation in the formation and management of devices and drugs that will improve people’s lives,” he says. “I’m particularly happy about that.”

Mostly he hopes his story can inspire others to realize it’s not an all-or-nothing choice between medicine and business.

“It’s a lot more fun if you can do both,” he says.

Start Me Up

Brad Keywell, BBA '91/JD '93: "Inefficiency is Another Word for Opportunity."

By Amy Spooner // Illustration by Sarah Hanson

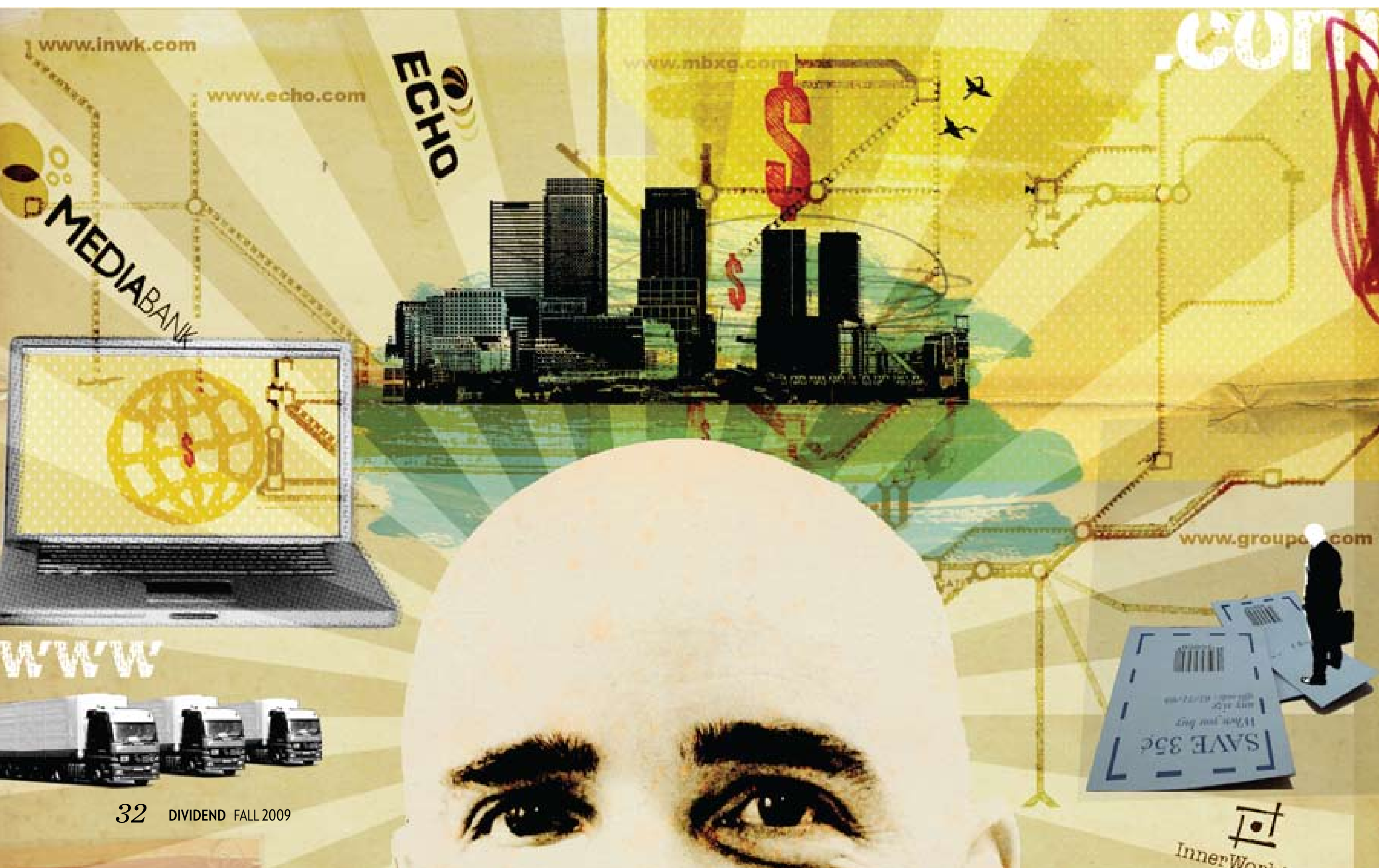
Brad Keywell, BBA '91/JD '93, has a history of being the odd man out.

He entered law school with no intention of being a lawyer. While his undergrad classmates studied business fundamentals he founded three ventures and still managed to graduate with honors. And as a sophomore without a declared major he wangled his way into an MBA course on entrepreneurship.

By the end of the class he'd earned top marks, an offer to co-author a book with the professor, and the respect of Sam Zell, the billionaire entrepreneur who endowed the course.

"At the end of my initial conversation with Sam he said, 'I don't care what you were thinking about doing during your summers in college – you need to come spend time with me,'" Keywell says. It was an offer he could not refuse. "An opportunity to learn from one of the great entrepreneurs of our time is one you don't pass up."

It was Zell's encouragement, along with advice from Keywell's father, that convinced the fledgling entrepreneur to enter law school. "Legal education creates a rigor of thought that's not presented in other areas," he says. "To have that discipline as you assess different risk/reward equations is a great asset in business.



I had to put my business ambition temporarily on hold, but it was an investment that was well worth it."

While law school classmates competed for resume-enhancing opportunities on the *Michigan Law Review* and vied for prime clerkships, Keywell researched businesses to acquire or start. He spent part of each summer working with Zell, and in his third year of law school he scheduled his classes on Monday and Tuesday so he could work the rest of the week for Zell's mergers and acquisitions group in Chicago. Along with Eric Lefkofsky, AB '91/JD '93, he acquired his first post-law school business, in the licensed sportswear industry. The two have been business partners ever since.

In 1999, Keywell founded Starbelly, an online promotional product supply chain management firm. It was partially a case of being in the right place at the right time. "Businesses were growing so fast," he says. "We went from startup to 210 employees in 10 months. It was a period of time that probably will not be repeated." At 29, Keywell sold Starbelly for $240 million and became president of its parent, NYSE company HA-LO Industries.

The ensuing euphoria was short-lived. "We walked into a company that was much more troubled than we'd thought," he says. Keywell stayed with HA-LO for a year; the company filed for Chapter 11 nine months after he left. "We believed we could effect change, but we learned a company with $800 million in revenue and 7,000 employees moves like an ocean liner, not a speedboat. We were used to speedboat situations."

Keywell walked away from the experience with a keen understanding of his own capacity. "Now I spend time focusing on my strengths instead of areas where I'm not as comfortable or proficient," he says.

At the core of his strategy: the business plan. "Business plans are the best way to challenge yourself in an unemotional, brutally honest way, forcing you to articulate the risks and rewards of the idea," he says. "It asks, 'What does this business look like? What would it feel like to try to get it off the ground, and what are the barriers?' In looking at the barriers, I look for reasons why I shouldn't do this rather than the reasons I should. Every once in awhile an idea survives that pretty tough filter and you say, 'I can't *not* do this — I must do it.'"

Four of those ideas are now businesses started by Keywell and Lefkofsky. They employ more than 1,500 people and garner nearly a billion dollars annually in combined revenue. "Each business plays on our strengths: building great technology, finding and exploiting supply-and-demand imbalance and arbitrage, and creating models where we can succeed by helping others save money," Keywell says. "We prefer situations where our capital is spent to create technology and informational advantage, capturing data that is otherwise unavailable in the market. We avoid situations where we are the manufacturer or are buying equipment and building inventory."

Accordingly none of the four businesses has any inventory. Instead they use technology to identify and solve inefficiencies. Each firm is independent with separate capital structures and boards of directors. Keywell likens them to individual children. "They're each

"An entrepreneur is somebody who can't *not* be an entrepreneur."

separated by two or three years and they're all at different stages with different needs, responsibilities, personalities, and challenges."

Their mission, however, binds them together. "All four do the same thing in different spaces," says Keywell. InnerWorkings focuses on the effective procurement, management, and delivery of print and promotional products. It is a public company listed on NASDAQ. Echo Global Logistics optimizes procurement and management in the transportation industry and has an S-1 on file with the SEC. MediaBank provides integrated procurement systems, advanced analytics platforms, and trading functionality to the advertising and media-buying industries.

The fourth company, Groupon, utilizes social networking to enable group purchasing. The business initially was called The Point, and it provided a platform for people to organize in groups to promote social change. "What evolved was the recognition that groups are the primary source of buying leverage, but they had no effective way of getting together to buy stuff," Keywell says. "We've solved the problem and enabled merchants to use the Internet to reach consumers with fantastic offers on a daily basis."

Groupon is a daily Internet coupon offering substantial discounts on goods and services ranging from trendy restaurants to Zipcars. But it's only valid if the daily quota of people participates. One Groupon per day is offered in each city, and at the end of the day the deal is gone. The concept is completely viral with consumers opting to receive the daily Groupon announcement. Currently about 250,000 people nationwide receive a Groupon email each day. Launched in November 2008, Groupons are offered in Chicago, New York, Boston, San Francisco, Washington, D.C., Atlanta, Los Angeles, and other cities.

While some may perceive entrepreneurship as too risky in a volatile economy, Keywell sees no compelling alternatives. "An entrepreneur is somebody who can't *not* be an entrepreneur," he says. "If you ask artists why they're artists, they'll say, 'Because I'm an artist. That's who I am; I wouldn't know how not to be an artist.' That's how I feel about creating businesses — it's what I do and who I am."

For Keywell today's economy presents a blank canvas. "This is a time when inefficiencies are magnified and solving them creates exponential benefit," he says. "Inefficiency is another word for opportunity. We've created a series of businesses that address inefficiencies. The need for even more businesses and more solutions to inefficiencies is greater today than ever."

Mike Carscaddon, MBA '08, Nails Solid Foundation at Habitat for Humanity

BUILDING ON THE FUNDAMENTALS

Mike Carscaddon, MBA '08, spends his day assessing an appalling bottom line: 1.6 billion people in the world lack adequate housing.

As executive vice president for international field operations for Habitat for Humanity International (HFHI), Carscaddon is used to operating within parameters that are unfathomable to most Americans — even with the domestic housing and mortgage markets in shambles.

"The current homeownership rate in the U.S. is around 65 percent," he says. "But if you go to India, fewer than six percent of the people have access to the capital needed to buy a house. When you get to a country like Zambia, that number drops to fewer than one percent."

By Amy Spooner

PHOTOS COURTESY OF MIKE CARSCADDON

Without access to financing, it's virtually impossible for people to buy homes or improve their housing conditions. The alternatives are delaying repairs until funds can be saved or taking a loan from a moneylender at a usurious rate of interest. Habitat for Humanity is dedicated to changing this, Carscaddon says.

"In addition to building homes, we now are focused on broader strategies to sustainably enable access to housing and transform systems that impact affordable housing," he says. "This takes us back to Habitat's early days when one of our founders said, 'What the poor need is not charity but capital; not case workers, but co-workers.'"

BUILDING BLOCKS In the developing world housing often is referred to as a verb rather than a noun, Carscaddon says, and much like the work of Habitat for Humanity it happens incrementally. The organization is working with microfinancing institutions (MFIs) to mobilize capital and make more loans available to more people for housing needs. Habitat uses technical support and market research to show MFIs the inherent value that comes with housing. Carscaddon and his team also encourage MFIs to offer capital for improvement of existing homes, not just new ones.

"Our goal is to offer products that are relevant to the poor," Carscaddon says. "If we offer a new house to someone who can't afford it, versus offering a loan to put on a new roof or install a floor where there's currently only dirt, what makes more sense?"

Sometimes the process involves remodeling existing laws and cultural barriers. Carscaddon points out that in some countries women don't enjoy inheritance rights. As a result, widows must relinquish possession of their homes to in-laws. Habitat lobbies governments to overturn these laws and establish security of land tenure. Such advocacy increases and enhances the quality of housing. "People don't want to invest in bettering their homes if they know they could get kicked out of them at any time," Carscaddon says.

Technical support, market research, and advocacy may seem like nontraditional Habitat activities, but they illustrate fundamental changes happening inside the organization's business model, says Carscaddon. He likens the old model to a wheel with Habitat in the center, surrounded by its various programs. Now the approach is more holistic. Poverty and inadequate housing form the hub of the wheel, and Habitat joins organizations and governments focused on education, healthcare, water, and other social issues as the spokes.

"Housing is a fundamental building block of human development," Carscaddon says.

SCALE AND SUSTAINABILITY Historically Habitat's national organizations had similar structures and focused on building only new houses, primarily in rural areas. Today the organizations adapt according to a location's specific needs, says Carscaddon. "We ask, 'What can Habitat do best to enable affordable housing in this particular place?' with our key drivers being scale and sustainability."

By scale, Habitat seeks to help as many families as possible, recognizing that engaging partners is critical to extending the organization's reach. Sustainability, meanwhile, takes many forms, he notes.

GLOBAL IMPACT Residents of earthquake-ravaged Sichuan Province, China, smile about their new home (left); Below, a worksite in Cambodia.

"For the families we serve it's about affordability; for the environment it's about building responsibly; and for Habitat it's about being financially viable so we can help more families in the future."

Meanwhile, building with local materials is not only culturally appropriate, but also environmentally friendly due to reduced transportation costs. Habitat won a World Bank award for its use of an indigenous cane reed product in Kyrgyzstan that's similar to bamboo and regenerates quickly. The organization also is exploring the potential of solar energy in places without electricity.

THE BLUEPRINT With 55,000 families helped by Habitat for Humanity last year, the organization's impact is far-reaching. But it also offers Carscaddon the kind of personal fulfillment he had been seeking in a career. In the mid-1980s, the then-professional CPA was climbing the corporate ladder within First Union Corporation (now Wachovia, a Wells Fargo company) in Charlotte, N.C. On weekends he could be found swinging a hammer with other members of his church on community builds for the local Habitat chapter. Then, in 1987, the annual Jimmy and Rosalynn Carter Work Project came to town.

"HOUSING IS A FUNDAMENTAL BUILDING BLOCK OF HUMAN DEVELOPMENT."

ON A MISSION
Habitat for Humanity volunteers work at a build site in Thailand (above); Mike Carscaddon, MBA '08 (center), with HFHI colleagues in Haiti.

"It was a big deal for the Carters to come to Charlotte," Carscaddon says, "so a lot of volunteers were mobilized." The experience motivated Carscaddon to accept a position on the organization's local board of directors. "Groups are always looking for a CPA to be their treasurer," he says with a laugh.

Carscaddon's involvement intensified when his church congregation committed to constructing a home by itself. "Every Saturday for three or four months, I would work at the build site," he says. On many occasions he worked alongside the woman who eventually would get the keys.

"Something we take for granted, like grocery shopping, is a major ordeal for someone living in poverty," he says. "She was too poor to own a car. She had to take a bus quite a distance in order to shop. And then she could only buy as much as she could carry."

As more of Carscaddon's personal time was devoted to Habitat for Humanity, he found himself at a professional crossroads. Through career counseling he discovered that although he was well-suited for finance and accounting, his fulfillment level would be higher in an organization with a social mission.

IN THE HOUSE Around that time he received a call from the former executive director of Habitat for Humanity Charlotte, who had been hired by HFHI in Atlanta — the umbrella organization — to run its U.S. operations. The organization needed help in its financial department, and the CPA/volunteer/ board member was top of mind for the opening. Carscaddon's weekend volunteer gig had transformed into a full-time job.

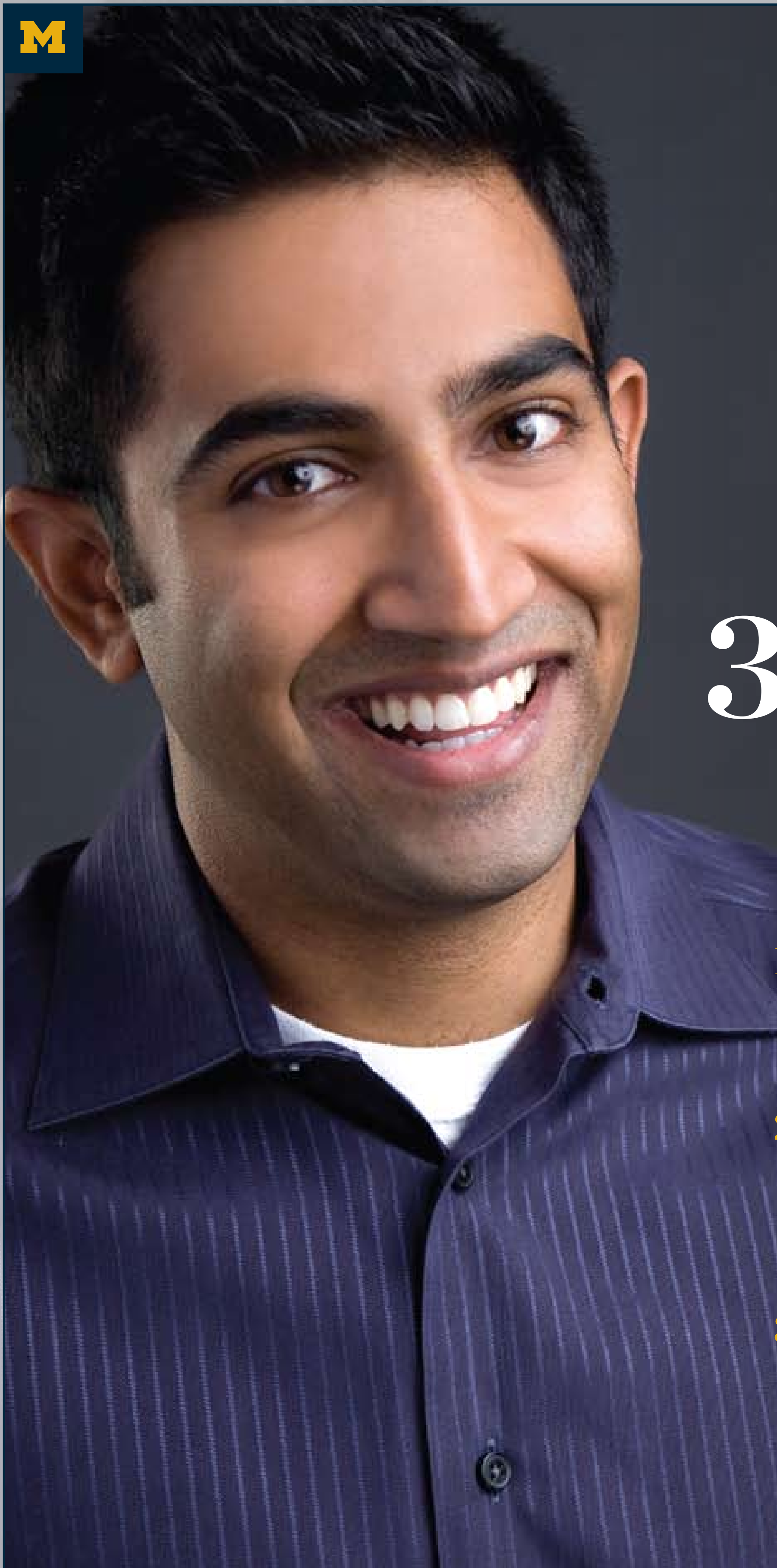
The initial role as controller led to his appointment as HFHI's chief financial officer in 1996. In 2000, he was promoted to senior vice president of administration; in 2004, he accepted his current role in international field operations. Even before Carscaddon headed Habitat's overseas efforts, though, he had become increasingly interested in them. As the treasurer of the Charlotte board he was aware of Habitat's tithing program, where U.S. affiliates give a portion of the funds they've raised to the charity's global operations. "It's the concept of 'think globally, act locally,' and I found it very intriguing," he says. While serving as controller he sought a one-month assignment to Malawi so he could observe the organization's efforts in developing countries.

Carscaddon now oversees the operation of Habitat's work in 85 countries, centralized in field offices in Bangkok, Thailand; San Jose, Costa Rica; Pretoria, South Africa; and Bratislava, Slovakia. Programs in most countries are autonomous, raising funds and managing their own leadership boards. Carscaddon helps national organizations develop new programs and share best practices and innovations.

But even with his background as a CPA it is tough to nail down the bottom line in a nonprofit, he says. "There is no shareholder value, so how do we measure the impact of our organization?" He relies on the tools gained in his business training to help him lead. "I have learned good strategy and problem-solving frameworks and skills," he says, "and I have learned to be more data driven. Nonprofits tend to be soft in that area, but it's important that we make decisions based on facts."

Those facts are critical to Carscaddon's somewhat daunting mission. With the staggering number of people in need of housing worldwide, he knows his work is never-ending. He refers to a quote by Mother Teresa to avoid getting overwhelmed: "It is not the magnitude of our actions but the amount of love that is put into them that matters." And he focuses on the fact that Habitat for Humanity changes the lives of homeowners, volunteers, and donors who get involved.

"We all have a responsibility to address poverty," he says. "Habitat is very action-oriented. People can swing a hammer and feel like they are making a difference. We then harness that energy to make an even bigger difference."



Siddharth Sinha // MBA '09

As a Ross student, Siddharth helped conceive Husk Insulation, a startup poised to convert agricultural waste into thin, high-grade, and affordable insulation for the refrigeration industry. Team Husk won $200,000 in the 2009 MIT Clean Energy Prize Competition and picked up significant prizes in several other major business plan challenges. In 2008, Siddharth was co-director of the annual West Coast Forum, which brings together Ross students, alumni, and entrepreneurs engaged in industries ranging from high tech to healthcare. He is a consultant at Bain & Co. in Chicago.

3 Reasons to Give

1 Invest in Change Leaders

At Ross, I felt an ever-growing sense of possibility. My classmates were committed to the most ambitious notions of what earning an MBA might help them achieve for themselves and for society.

2 Invest in Innovation

Example: Integrated Product Development (OMS 548). Business, engineering, and design students collaborate to design, manufacture, and market an actual product. No wonder Professor Bill Lovejoy won the University's Teaching Innovation Prize.

3 Invest in Answers ...

... to important questions like, "Who's the boss?" My wife, Shally Madan, and I both graduated in the Ross MBA Class of 2009. Together we experienced everything from business plan competitions to the West Coast Forum. We squared off on opposite sides of three negotiations in Andy Hoffman's class. ~~And I won every time.~~ And she won every time. So that question was answered pretty quickly.

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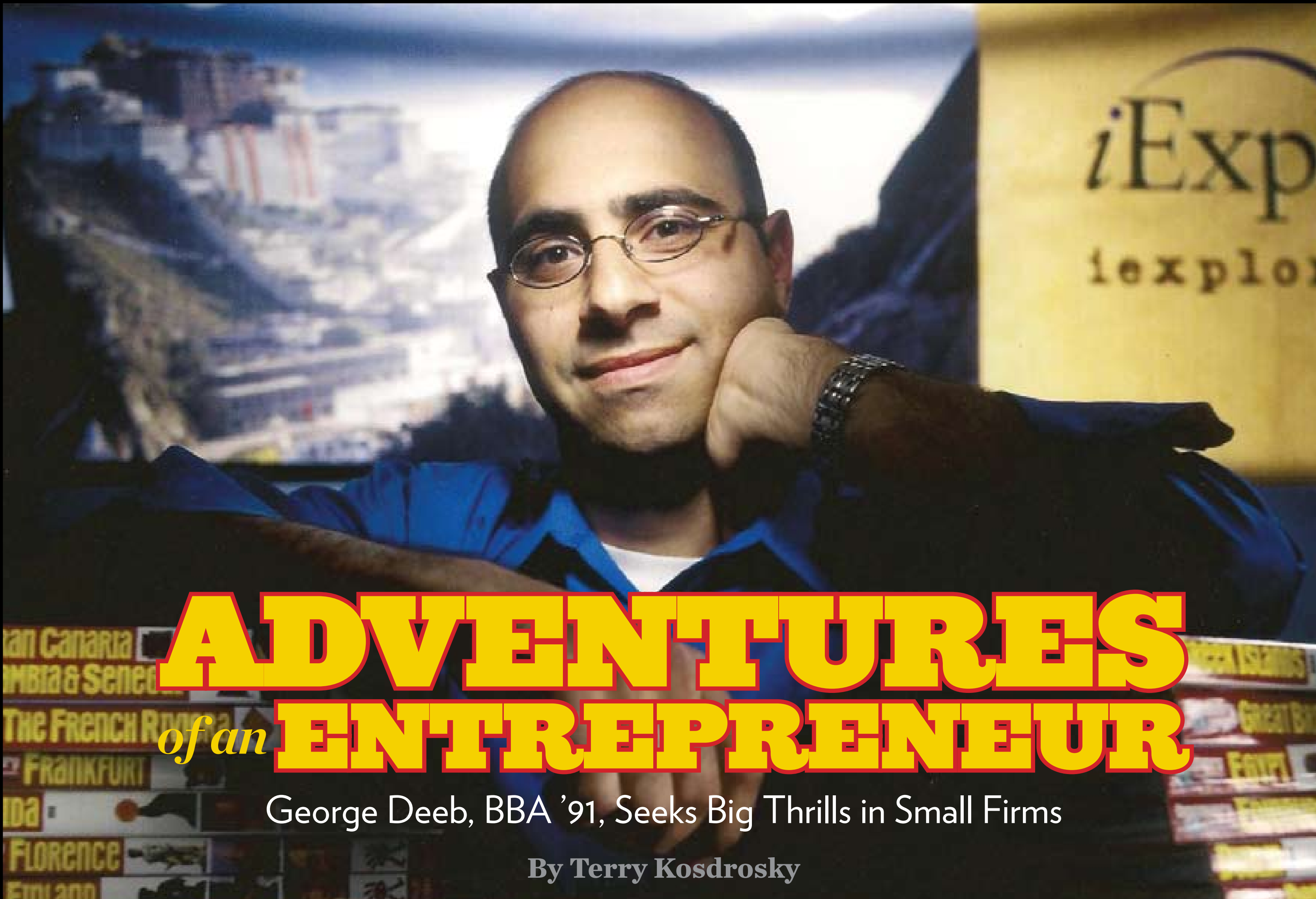


ADVENTURES *of an* ENTREPRENEUR

George Deeb, BBA '91, Seeks Big Thrills in Small Firms

By Terry Kosdrosky

GEORGE DEEB, BBA '91, HAS ALWAYS HAD A SENSE OF ADVENTURE. Good thing, since it was that sense of adventure that took this fast-rising investment banker at Credit Suisse First Boston (CSFB) down a career path fraught with twists, turns, and hazards. And it was that sense of adventure that transformed him from corporate financier to entrepreneur.

Deeb first embarked on his wild ride when he was booking a trip to Mt. Kilimanjaro with friends. He soon discovered how challenging it was to identify actual tour operators, let alone reputable ones.

"Man, it was hard," he says. "I kept wishing there was an easier way to plan this."

There would be — once Deeb created it. And what started as a favor to his friends led to Deeb founding, nurturing, rescuing, and ultimately selling iExplore.com, a leading adventure travel site.

Once he got a taste for the entrepreneurial rush Deeb knew there was no way he could return to Wall Street. Instead he accepted a position at another startup in a completely unrelated industry.

"Once you've lived in an entrepreneurial environment for 10 years it's hard to go back to the corporate world," he says.

Today Deeb is CEO of MediaRecall, an enterprise that digitizes, organizes, and monetizes professional video archives.

FROM DEALS TO DOT-COM After earning his BBA, Deeb joined CSFB, rising to vice president in corporate finance during his eight-year career. His clients included retailers like The Home Depot, Babies"R"Us, Pep Boys, CompUSA, and Linens 'n Things. But once he ventured into the world of exotic travel he discovered a few interesting truths. The industry was fragmented and growing at a pace of about 10 percent a year, roughly double the rate of the general travel business. It was the late 1990s, so e-commerce was taking off and travel was the top segment.

"I asked myself: 'What niche of the online travel industry will the major websites like Expedia and Travelocity ignore over the next three to five years that I can dominate and then ultimately sell down the road to one of these major players?'" Deeb says. The answer? "Adventure travel."

In March 1999, Deeb left CSFB, cashed his last bonus check, and used it to start iExplore. He moved from New York to Chicago, convinced his funds would go further in the Midwest. The location also placed him closer to key industry players and trade shows.

But while Deeb had plenty of experience raising capital and examining executive teams, he soon learned startups require alternative financing and different skill sets. So he took a few detours before reaching the final destination.

"My experience at CSFB helped me understand the financial markets, deal making, and valuing companies, but it sort of tainted me in terms of what type of money I should be going after to fund iExplore's growth," Deeb says. He knew the big-name, late-stage investors best but realized later he should have pursued earlier-stage venture capital firms more familiar with getting businesses off the ground.

Hiring a management team became a similar learning exercise. Deeb realized the top names at Fortune 500 companies may look great on a press release but it's better if they know how to turn an abstract concept into a functioning company. Still, iExplore launched as planned in February 2000 as a one-stop shop for researching and booking adventure travel.

INTO THE WILD
As the founder of adventure travel company iExplore, Deeb's own travels have taken him around the world, including Egypt, Antarctica, and Machu Picchu.

CHANGING ON THE FLY A month after iExplore launched, the dot-com bubble burst and Deeb faced new perils and unforeseen risks. He had to revise the business plan *and* the capital plan. Funds for marketing were limited, but it was critical for iExplore to establish itself as a trusted name. The solution: Piggyback on the coattails of another trusted brand.

In August 2000, iExplore partnered with National Geographic. That allowed the startup to cut its marketing budget by 90 percent and increase its sales conversion rate by 25 percent. Deeb says the pact was far from perfect, but the association with National Geographic did provide a much-needed revenue boost and trusted stamp of approval in the minds of consumers. It also enhanced iExplore's credibility with lenders.

The deal set up a strong 2001 until the Sept. 11 terrorist attacks. Travel screeched to a near halt, credit was hard to come by, and iExplore was in danger of being grounded. But Deeb quickly rerouted his business plan. He pared the staff from 33 employees to nine. He settled with creditors and restructured iExplore's debt at reduced terms without filing for Chapter 11. Then he shifted his core strategy. Instead of collecting commissions from booking other operators' trips, iExplore began branding its own expeditions.

"We thought, 'If traffic is going to be down, let's focus on margin,'" Deeb says. iExplore also tapped a new source of revenue and profit by selling advertising on its website. In 2004, iExplore finally turned a profit.

"The phoenix had risen from the ashes," Deeb says. "We should have gone out of business after Sept. 11, and instead we turned into a profitable growth business."

THE NEXT FRONTIER By 2006, iExplore's investors were looking to make good on their bet. After a bidding war, U.K.- based travel giant TUI Travel bought the company and delivered a healthy return.

Deeb stayed on with iExplore for two years after the acquisition to get the experience of transitioning the startup into a division of a big public company. But then he chose to explore a completely different field when he learned of an opening for CEO at digital media firm MediaRecall. The company, also in metro Chicago, had just hit its stride, digitizing and tagging video content faster and cheaper than many other services. It relies on a huge distributed workforce of 2,000 U.S.- based contractors who can execute clip selection, metalogging, and transcription services from anywhere via Internet connection.

The demand for MediaRecall's service is hot right now as companies look to archive, organize, and monetize existing visual media currently not accessible online. Despite his lack of experience in the digital video realm Deeb immediately understood the big picture of the company's mission, says Robin Rutledge, MediaRecall's founder and executive vice president.

"We went through a three-month period of looking at candidates, including people with Harvard and Wharton pedigrees," Rutledge says. "There always was something or other that wasn't a fit. George's experience at iExplore and his knowledge of M&A and banking were complementary to our skills and exactly what we needed."

So Deeb is off on another business adventure, which is exactly how he likes it.

"I could never go back to a big company again and be a cog in the wheel," he says. "I moved from being a deal guy to being an actual operator. And I learned that I like small companies a lot better than big ones. It's easier to see the fruits of your labor in real time."

Re-Energizer

Donna Zobel, MBA ’04, Powers Up at Ailing Firm

Donna Zobel, MBA ’04, had reached the halfway mark in her studies at Ross when she was tapped to take over her late father’s business. The company, she soon discovered, was running on empty — recording annual losses of $250,000. Zobel’s initial plan for Myron Zucker Inc. (MZI) was to offload it as quickly as possible.

"All I could see was that revenue was going down while expenses were going up," Zobel says of the power quality solutions provider based in Sterling Heights, Mich. But shortly after taking the helm as owner/CEO she was energized by the opportunity to practice what her professors in the Executive MBA Program had been preaching.

"I looked around and realized we had issues but also potential," Zobel says.

She has since positioned MZI at the center of the green technology movement, even in the heart of the suffering American auto industry. How? A drive for efficiency in its business model and the products it delivers to customers.

"We don't create energy; we promote better energy utilization," Zobel says.

MZI's primary product is the power factor correction capacitor, which promotes energy efficiency in manufacturing through improvement of a company's power factor (the measure of how effectively a company is using power). The product provides reactive current to the company's electrical system, which would otherwise be supplied by a utility. Distribution of power is thus more efficient and cost-effective.

While energy use is a timely topic these days, the product's origins date back to the 1950s, when engineer Myron Zucker developed the capacitor-at-load concept to correct inefficient power factors in manufacturing, primarily in the auto industry. In the late '80s, Zucker sold his business to Zobel's father, who had his own business building industrial control panels.

When Donna Zobel took over in 2003, she brought a fresh, outsider's perspective. "I was able to ask, 'Why are we doing this in this way?'" she says. "Often the answer was, 'Because that's the way we've always done it.'" That answer wasn't going to reverse the downward trend, and Zobel was determined to force an end to the status quo. To fully gain support she led by example. "My father had been hands-off with the company for awhile," she says. "Employees were looking for leadership."

Zobel saw inefficiencies everywhere and soon identified ways to eliminate redundancies, streamline production, and move operations to a smaller facility. She canceled or outsourced product lines to better focus on core competencies. She also unloaded unnecessary equipment and introduced an online inventory management system.

Those early days were difficult, says Zobel. "But they were fun, too, because we could already see the improvement these changes made to the bottom line."

Zobel next focused on reconnecting with customers and enhancing the service experience. Even the administrative staff can answer basic technical questions, and an email inquiry receives a reply within 24 hours. Customers — both Zobel's and her competitors' — have taken notice. "We get calls for tech support from people who bought our competitors' products but can't get through to them," she says. "The bigger players in the industry often carry multiple product lines and may find it difficult to adequately support all of them, whereas we focus our expertise on specific products that improve energy distribution and efficiency. There's a market out there, and it may not be a big one yet. But if we have the corner on it, then that's good for us."

MZI continues to gain market share by diversifying beyond the auto industry. Clients now include companies in the marine, medical, food processing, water treatment, and military realms. "We shouldn't be pigeonholed because we are in Detroit," Zobel says.

One relatively new customer is a commercial fishing company in Iceland, which utilizes MZI's technology in the winches that operate its nets. Zobel also has targeted and signed a number of lumber mills.

"I get to understand how the world works because I learn how things are made," she says. "Industrial processes making everything from church pews to fast food cups run on motors that would benefit from our equipment."

As the energy debate rages in the nation's capital, Zobel sees endless opportunities for continued growth at MZI. But she is dismayed that the federal stimulus package focuses more on development of renewable energy than reducing consumption. Such an approach is erroneous, she says. "Regardless of where it's coming from, we must reduce our dependence on power by focusing on efficiency."

Plus Zobel says existing legislation is cumbersome. Since energy efficiency grants vary by state, she has to master incentives for each state to educate clients on how best to take advantage. Regulatory requirements also vary by state — there are no consistent metrics or rate and billing structures for power companies.

"If you want to provide federal tax rebates," she says, "there has to be a level playing field."

Despite the confusion Zobel continues to push for efficiency with or without regulation. She and her engineers review potential customers' utility bills to show them how they could save money. She suggests ways to reduce operating costs such as routine equipment maintenance, checking for leaks in compressed air lines, even printing on both sides of paper — steps to take now without using her products. "Companies understand the importance of energy efficiency, but many can't make the investment right now," she says. "Many are worried about whether or not their plant is going to close."

Selling clients on the benefits of a deferred ROI is tough, but Zobel is convinced the payoff is coming. "Developing industrial powers like China are going to [see the value of energy efficiency] down the road, putting them at a disadvantage once U.S. industry is operating with more energy efficiency."

Accordingly, Zobel says now is the time to prepare for the future. "As our economy turns the corner energy efficiency will become more top of mind," she predicts. And she hopes her investment in relationship building and manufacturing relevant products will keep Myron Zucker Inc. top of mind as well. "We don't stop in terms of marketing or customer follow-up or sharpening our pencils to make the best products out there," Zobel says.

By Amy Spooner // Photo by C.J. Benninger

KICKSTARTING A CAREER

Edward Chan-Lizardo, MBA ’95, Will Pump You Up

By Terry Kosdrosky

Edward Chan-Lizardo, MBA ’95, was living the typical corporate life five years ago, consulting for Silicon Valley’s Cisco Systems after a strong run at high-tech leader Handspring. Charity had its place in life, but it was something for his spare time.


Edward Chan-Lizardo, MBA ’95

Today charity — actually social change — *is* Chan-Lizardo’s life. Based in Nairobi, Kenya, he’s traveling through Africa selling low-priced irrigation pumps to the poorest farmers on the continent.

What led to this reinvention as a social entrepreneur? Chalk it up to a combination of Chan-Lizardo seeking a career change and a nonprofit named KickStart in need of an operator to oversee manufacturing, supply chain, sales, and marketing.

“Coming out of Ross, I was looking to make enough money to pay my student loans,” says Chan-Lizardo, COO of KickStart. “Sure, I had always had an interest in doing something for the social good, but probably more on an informal basis. What really attracted me to KickStart was that it’s a nonprofit that has found a cost-effective way to effect social change, something that fit my skills and experience.”

KICKING THE TIRES ON KICKSTART Upon hearing about KickStart from friends who’d volunteered there, Chan-Lizardo initially focused more on the differences between the corporate and nonprofit worlds than the similarities. But when he took a look at the organization’s business model, the differences began to disappear. KickStart sells manually powered irrigation pumps, manufactured in China, to African farmers for about $90 to $100. The price covers the cost of manufacturing and distribution. Marketing, research, travel, and outreach expenses are covered by donors. KickStart is backed by the Skoll Foundation, the Bill and Melinda Gates Foundation, the John Deere Foundation, SC Johnson, and others.

The nonprofit’s business model evolved from years of market research aimed at solving a core problem for rural farmers in large parts of Africa: There are one or two rainy seasons per year, which force wild fluctuations in food prices. After the rains, prices crash due to oversupply. Prices skyrocket during the dry periods. Unfortunately, irrigation equipment is so scarce in rural areas that few farmers have produce to sell when they could best maximize profits.

That’s where KickStart’s Super MoneyMaker irrigation pump comes in. It allows farmers to water their fields year-round and increase their annual growing cycles. That means they can take advantage of those periods of high food prices to boost household income.

“This is about applying traditional business models and understanding your customer,” Chan-Lizardo says. “That’s the way to help people out of poverty. It’s a different approach than a number of NGOs (nongovernmental organizations) take. We’ve

PHOTOS COURTESY OF KICKSTART

found that giveaways do not work. They kill local competition and do not build pride or self-esteem."

While at Handspring, Chan-Lizardo was director of the Latin America and Asia-Pacific regions, so he had experience with emerging markets. Since KickStart has to keep the price of the pump low, his past work managing partners and suppliers is critical to the bottom line.

His marketing expertise came in handy, but in some ways the mission at KickStart is more of a challenge. While the pumps are basically sold at cost, they're not an easy sell. An investment of $90 to $100 can be about one-third of a buyer's annual net income, a huge leap for a small farmer with little revenue.

Another hurdle is the lack of mass communication among KickStart's customer base. There's little in the way of Internet communications, and mobile phones are just starting to take off. Marketing through word of mouth has limited success. Local farmers also are risk-averse and reluctant to make a big-ticket purchase. It's not hard to see why, since one unprofitable growing season can wreak havoc on the health and stability of the family.

"This is one of the most difficult marketing challenges in the world," Chan-Lizardo says. "You are trying to sell a relatively expensive capital good to the poorest people in the world who are risk-averse. It's very different from selling a device to people with disposable income."

KickStart's market data often helps close the deal — after all, the numbers don't lie. On average a farm's net income increases from $110 a year to $1,110 a year within several growing seasons after buying a pump. Surveys of pump customers at 12, 18, and 36 months after purchase show dramatic improvements in quality of life. Not only is food security improved, but people are able to better plan their lives. This means regularly sending kids to school and even hiring some seasonal help from time to time.

Success at the farm also can keep families together since members don't have to go to a city in search of jobs.

Chan-Lizardo's message seems to be bearing fruit. The past three years have seen pump sales increase by 10 to 20 percent. In the past 10 years KickStart has sold 150,000 pumps; 60,000 of those were sold in the past three years.

"We know that not every single buyer is successful," Chan-Lizardo says. "A farmer can have some bad luck, bad seeds, or a pest. But your chances of success with a pump are high. In Kenya and Tanzania 85 percent of the pumps are successful to varying degrees."

Chan-Lizardo is proof that the skills learned in business school are in great demand in the nonprofit world. The job requires a smattering of just about everything he learned at Ross.

"We have to develop strategies and be cost-effective. So I'm using those skills every day: critical thinking, financial analysis, marketing, a little bit of everything," he says. "And this has been fantastic. It has been the greatest experience of my life so far."

"THIS IS ONE OF THE MOST DIFFICULT MARKETING CHALLENGES IN THE WORLD."

Enter(e)Prizing

Alumni Rebecca Bolton, AB '02/MBA '07, and Mark Staples, MBA '01, Bring Strategy Expertise to Online Promotions

By Terry Kosdrosky // Photos by C.J. Benninger

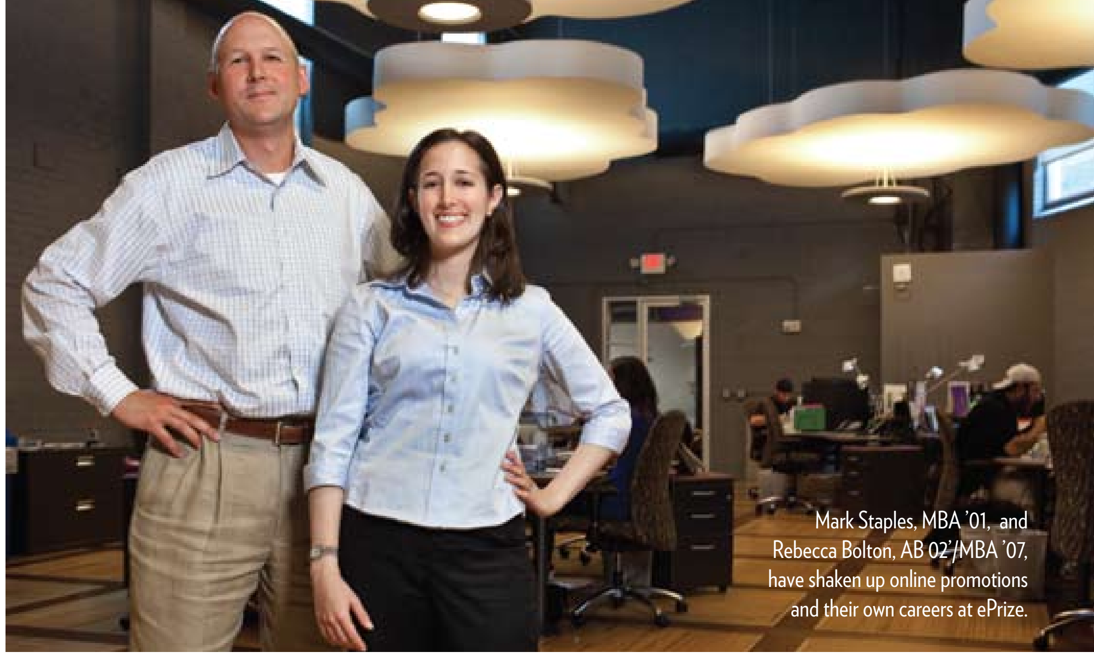
Sometimes the risk of a mid-career change is its own reward. Two Ross alumni have taken that risk and leveraged their MBAs to secure a sweet spot in the advertising and marketing world — a rare occurrence these days. Though advertisers and ad agencies are cutting budgets, online promotions firm ePrize LLC is poised to benefit from the disruption as dollars shift from traditional print and broadcast media to the Web.

Rebecca Bolton, AB '02/MBA '07, and **Mark Staples**, MBA '01, now are directing strategy at ePrize, creating innovative ways for some of the world's best-known names to connect with loyal customers and attract new ones. Based in the firm's Pleasant Ridge, Mich., headquarters, they are trusted to protect and elevate such brands as Coca-Cola, adidas, Yahoo!, Gap, J. Crew, Microsoft, AT&T, HBO, and The Home Depot.

Prior to ePrize Bolton worked as an account manager for a large advertising agency: a good job, but it lacked the creativity she craved. Staples ran a trading desk on the floor of the Chicago Mercantile Exchange and worked for big-name finance firms like Northern Trust.

Now both reap professional rewards working in this smaller, nimble firm. For example, Bolton and Staples just worked with ePrize's innovation team to connect the company's products to Facebook, Twitter, and MySpace.

"About a year ago Mark and I felt we didn't have enough offerings for social media, so we formed a team to develop social media solutions for our clients," says Bolton, senior manager of strategic services. "Numerous products were launched as a result of our interest, which we may not have had the opportunity to do at a larger company."


Mark Staples, MBA '01, and Rebecca Bolton, AB 02'/MBA '07, have shaken up online promotions and their own careers at ePrize.

THAT'S THE TICKET Typically Bolton and Staples will visit a client company and really dig into that particular industry and brand. Then they'll lock down the client's real objective and help develop the best interactive campaign, be it a contest, a give-away, or a loyalty rewards program.

Next the plan is coordinated with the technical, legal, and creative groups at ePrize. So the job is part creative, part financial, part coordination, and part counselor to clients. Some companies provide very broad objectives ("I want to be in social media") or are married to a particular type of promotion, no matter the objective. In either case Bolton and Staples need to steer clients in the right direction.

"A lot of our job is asking the right questions and listening," Staples says of the team's ability to sense opportunities case by case. "Then it's coming back to our office to work with a diverse group to analyze the needed components and craft the ideal solution for the client."

Options run the gamut from high-profile consumer promotions and national loyalty programs to internal corporate incentive programs. In a Coke promotion that leveraged its partnership with TV ratings juggernaut *American Idol,* contestants submitted graphic designs to appear on judge Simon Cowell's beverage cup. The winning entry was seen by millions of viewers worldwide whenever the controversial Cowell took a sip on camera. On the opposite end of the spectrum ePrize might lend expertise to a client who wants to run a contest to motivate its own sales force.

Despite the surge in social media, online marketing is an industry and job with plenty of challenges. Overall spending is down, clients have laid off staff, and there is more pressure than ever for ePrize to deliver tangible results at competitive rates.

"For me the Ross perspective brings critical thinking," says Staples, senior director of strategy. "It's about being able to uncover underlying issues and identify key objectives, and what we did in business school prepares your brain to think that way."

TEN YEARS AFTER Today ePrize is 10 years old, and the technology and business models are still evolving. Bolton interned at ePrize between her first and second years at Ross and says three years later it's already transformed into a different company.

"What we do is always changing, and that's exciting," she says. "It's not the same job every day. It's a dynamic industry and we work with a diverse set of clients, so we are constantly presented with new challenges and opportunities."

> **"It's a dynamic industry … we are constantly presented with new challenges and opportunities."**

These days the ePrize crew must be more agile than ever, as the economic downturn forces ongoing adjustments in the marketing game. The general focus for ePrize's clients has shifted from attracting new customers, which is expensive, toward the lower-cost option of retaining customers and driving more in-store traffic.

For ePrize that means more loyalty rewards programs coupled with promotions such as sweepstakes. "At a time when people are looking to switch to cheaper brands, rewards programs are a great way to get to know your customer and build a relationship with them," Staples says. "In the cup design contest we did for *American Idol* with Coke, the winning design was on the show with Simon drinking out of that cup. That's an emotional tie to your brand that money can't buy, and it's very compelling."

And money spent on an ePrize program carries another value proposition. ePrize collects and analyzes customer data, which helps clients fine-tune the next promotion and gives executives a tangible return on investment. Client companies can view this data in real time.

"New media provides more bang for the buck than traditional media," Bolton says.

As ePrize has evolved from a promotions company to a full-service firm with a standardized approach to innovation, strategic thinkers like Bolton and Staples are in demand.

"Both Mark and Rebecca have the unique skill set of strong, diverse marketing acumen coupled with the ability to use both sides of their brain: analytical and creative," says Vice President of Strategic Services Matt Kates.

The opportunity to switch careers has landed Bolton and Staples not only in a good place in a struggling economy but also in a bright spot in a struggling area — metro Detroit. In a region suffering from the automotive industry fallout, ePrize stands out.

"When I mention I'm with ePrize, people are interested. They know about us," Staples says. "It feels nice being a positive light in the Detroit area in terms of a company that's growing and doing new, innovative things working with some of the top brands in the world."

Alumni Activities *club events*

★ Bay Area

1 San Francisco Bay Area alumni demonstrate their school spirit at a San Francisco Giants baseball game at AT&T Park in June.

★ Boston

2 In May, **Grace Tsuei**, MBA '03, and **Paul Sullivan**, MBA '65, attended a career strategies session led by **Al Cotrone** (back, far left), director of career development and student affairs at Ross.

3 Back row, from left: Board members of the Boston Alumni Club **Jim Hanley**, MBA '94, **Haley Sawyer**, BBA '06, **Grant Robinson**, BBA '08, **Beth Seidman**, MBA '07, **Tony Gross**, MBA/MS '08, and **Brian Swett**, MBA/MS '08. Front row, from left: **Amanda Kamich**, MBA '07, and **Grace Tsuei**, MBA '03.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★ Chicago

1 The Chicago Alumni Club board includes (from left): **Jodie Eason**, MBA '05, **Brian Lafer**, BBA '04, **J.V. Maganti**, MBA '07, **T.D. Butzbaugh**, MBA '98, **Hugh Jedwill**, MBA '04, **Yehuda Cohen**, MBA '83, **Dayna Moser**, MBA '08, **John Powser**, MBA '74, **Bob Barnett**, MBA '81, **Ari Topper**, BBA '99, **Henry Gorecki**, MBA '86, **Rob Cannon**, MBA '85, **Brian Schwartz**, BBA '05, and **Michael McGoohan**, MBA '07.

2 The Chicago Alumni Club recently presented "For the Love (or Profit) of the Game," a panel discussion on the business of sports. Speakers included (front, from left): **Mark Silverman**, MBA '91, president, Big Ten Network; Crane Kenney, JD '88, president, Chicago Cubs; and **Dan Griffis**, MBA '01, VP of global business development, Chip Ganassi Racing; and (back, from left): Kate Smith, marketing director, Gatorade; and **Dave Greeley**, AB '88/MBA '96, president, Chicago Fire.

★ Tokyo

3 Earlier this year, the Tokyo Alumni Club held its annual Go Blue! party. Pictured from left: **Keiko Shiine**, MBA '06, **Naomi Yoshimoto Suzuki**, MBA '07, **Kazuyo Nakatani**, MBA '07, and **Ryoma Ishii**, MBA '06.

★ Washington, D.C.

1 From left: **Shailabh Atal**, MBA '05, and Melisa Rodriguez.

2 From left: **Vicki Tang**, PhD '05, **Al Leandre**, MBA '02, **Samantha Lasky**, MBA '03, **Cindy Szegedy**, MBA '07, and **Tim Tillman**, MBA '04.

3 **Adam Borden**, MBA '05, **Stacey Stewart**, MBA '87, and **Roger Frock**, MBA '59, convened at a meeting in March. Stewart was the featured speaker.

4 From left: Sophia Zeng and **Barb Lambert**, BBA '01.

★ Boston

5 Professor **Andy Lawlor** (third from left) joined members of the Boston Alumni Club at a recent meeting. He is pictured with (from left): **Martin Guentert**, MBA'93, Usha Tedrow, M.D., and **Woong Oh**, MBA '02.


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★ India

1 The Ross Alumni Club of Mumbai welcomed professors **David Brophy** and **C.K. Prahalad**.

★ Shanghai

2 In May, members of the Shanghai Alumni Club hosted **Rich Rogel**, BBA '70 (far left), Professor **Ken Lieberthal** (second from left), **Dean Robert J. Dolan** (center), and **John Copeland**, director of strategic planning and special projects at Ross (third from right), during a trip to Asia by a U-M delegation. (See article, page 5.)

★ Hong Kong

3 **Dean Robert J. Dolan** and members of a traveling U-M delegation met with representatives of the Ross Alumni Club of Hong Kong in May. (See article, page 5.)

★ New York

1 From left: **David Veal**, MBA '99, **Lawrence Sage**, MBA '95, **Sesh Raghavan**, MBA '01, and **Ratan Borkar**, MBA '01.

★ Southeast Michigan

2 From left: **Chris Lin**, MBA '93, and **Donna Lasinski**, BBA '90.

★ Los Angeles

3 **Doug McCracken**, MBA '04, ponders his brief stint as a cover model.

★ South Florida

4 **Gabriel Freund-Vega**, MBA '04, **Tom Hitchman**, MBA '84, **Chip Ellis**, BBA '79, **Andrea Acuña**, MBA '04, **Jose Fincheltub**, MBA '03, **Carlos Bigott**, MBA '03, Salomon Spak, **Kelly Cooper**, MBA '90, and **Michael Navarro**, MBA '01, gathered for a networking event in June.

For more photos and events visit www.rossclubs.org

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★ Germany

1 The Ross Alumni Club of Germany gathered in Frankfurt in June for an all-day meeting featuring area business leaders. Clockwise from left: **Dr. Florian Müller**, Exchange '99, **Ted O'Leary** (adjunct professor of accounting), Jochen Haug, **Klaus Kemme**, MBA '00, Gabriel Hopmeier, Ben Hudsan, Andreas Klotz, Katie Herta, **Paul Churchill**, MBA '93, Marcel Springer, **Don Rekko**, MBA '04, and **Dr. Andreas Kirschkamp**, MBA '00.

Jeffrey E. Jarrett, BBA '62, is professor of management sciences and finance at the University of Rhode Island (URI). He has just begun his 45th year in higher education, the last 39 at URI. In July and August Jeff participated in an arctic adventure in Norway under the guide of National Geographic and Lindblad Tours with the purpose of seeing polar bears in their environment. During the past eight months, Jeff published professional papers in the *International Journal of Industrial and Systems Engineering*, *Quality Engineering*, the *International Journal of Business and Economics*, *Communications in Statistics Simulation and Computing*, the *Journal of Business Economics and Management*, *Applied Economics*, and three book reviews published in *Technometrics*.

Bharat Patel, MBA '69 (right), recently celebrated his retirement from Procter & Gamble, India. Based in Mumbai, Bharat had served as chairman and managing director of the operation. During his tenure he saw tremendous expansion in the Indian market. "The annual eight-to-nine percent GDP growth of the economy over the past decade or so made P&G's global management sit up and notice India," Bharat reflects. "And they got the R&D group to start focusing on value-for-money products (superior-performing products, but not at high cost) for India and other developing markets. Over the past five years the India operation has become one of the fastest-growing businesses for P&G worldwide." In retirement Bharat continues to lead advertising-related industry associations such as the Indian Society of Advertisers and the Advertising Standards Council of India. He also is working as a consultant to various firms in advertising and consumer goods. In addition, he serves as an independent director on several boards in the auto, pharmaceutical, IT, real estate, and banking industries. One of his newest assignments is running his hometown cricket association. Bharat is pictured here with R.A. Shah, an independent director on the board of Procter & Gamble, India, since 1967. He is one of India's leading attorneys and a senior partner at Crawford Bayley & Co.

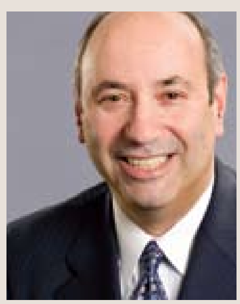
Richard E. Posey, MBA '72, has been named to the board of directors of Trex Co. Inc., a manufacturer of Trex decking and railing. Dick served as president and CEO of Moen Inc., a leading manufacturer in the global faucet market, for six years before retiring in 2007. Prior to joining Moen he was president and CEO of Hamilton Beach/Proctor Silex Inc. for five years. Dick began his career at S.C. Johnson & Son where for 22 years he served in a series of increasingly responsible management positions, culminating with executive VP, consumer products, North America. He currently serves on the board of directors of the Colman Group (a supply equipment company), is a member of the Visiting Committee of the Ross School, and is a founding trustee of the Virginia Commonwealth University School of Engineering Foundation.

Alumni Race for Michigan Governor

Peter Hoekstra, MBA '77, is running as a Republican candidate for Michigan Governor. He served for 15 years as vice president of Herman Miller, a Fortune 500 office furniture manufacturer based in Zeeland, Mich. He then went on to represent Michigan's 2nd District in the U.S. Congress, a post he has held since 1993. In the House, Peter has served on the Education and Labor Committee, the Budget Committee, and the Permanent Select Committee on Intelligence. He lives in Holland, Mich.

Rick Snyder, MBA '79, is running as a Republican candidate for Michigan Governor. He is co-founder, chairman, and CEO of Ardesta, an Ann Arbor-based investment firm focused on micro- and nanotechnology. Early in his career, Rick was a CPA and then partner at Coopers & Lybrand (now PricewaterhouseCoopers) in Detroit. From 1991 to 1997, he served as executive VP — and then president and COO — of Gateway Inc. In 1997, Rick returned to Michigan and founded Avalon Investments Inc., a venture-capital firm focused on new technology. He sits on the boards of The Henry Ford and the Michigan chapter of the Nature Conservancy as well as several boards connected to the University of Michigan. He lives in Ann Arbor.

Richard David, BBA '78, has joined Butzel Long as its CFO, based in Detroit. He serves as a key member of the firm's management team and oversees all its accounting, financial, and treasury functions. He joined Butzel Long after a 30-year career in public accounting with a Big Four international accounting firm. During his career he was recognized as one of the "90 for the '90s" business leaders by *Crain's Detroit Business* and was one of only 10 accountants in the inaugural listing of *Crain's Who's Who in Detroit Business*. Rick was appointed to the Michigan State Board of Accountancy and has been involved with the Michigan Association of Certified Public Accountants, the Parade Co., the Michigan Sports Hall of Fame, the Founders Junior Council for the Detroit Institute of Arts, and the Southeastern Michigan Venture Group. Butzel Long was established in 1854 and is one of America's leading law firms. Rick recently celebrated his 25th wedding anniversary with his wife, Denise. His oldest daughter, Danielle, attends Northwestern University, while his son is entering high school at Cranbrook in Bloomfield Hills, Mich. Email Rick at rdavid.email@gmail.com.



W. Arnold Yasinski, MBA '80, has been named VP for financial affairs and treasurer of Willamette University in Salem, Ore. Previously he was executive VP for finance and administration and treasurer at the Rhode Island School of Design. He spent several years in business finance, strategy, and marketing at DuPont and also was VP for administration at Colby College in Waterville, Maine, for 15 years.

Robert F. Barnett III, MBA '81, has joined TTK Partners LLC as a senior adviser based in Chicago. TTK Partners is a mergers and acquisitions advisory firm dedicated to serving the middle market. Bob leads the firm's capital structure advisory effort in addition to assisting in the expansion of the existing activities of the firm through his extensive client relationships. Prior to joining TTK Bob was a managing director and sector head of BMO Capital Markets Commercial and Industrial Group, and before that he was head of Midwest large corporate banking at Bank One Corp.

Paula Speer Rogers, BBA '81, has been promoted to president of Institutional Capital LLC. Paula assumes oversight responsibility for all business development, client service, and operational areas. She remains a member of the firm's investment management committee. Paula had more than 28 years' experience with Goldman Sachs, Northern Trust, and Eastman Kodak prior to joining ICAP.

Roger Baker, MBA '83, a former CEO in the IT industry, recently took the oath of office in the Department of Veterans Affairs as assistant secretary for information and technology. "While this will certainly be a challenging position, I look forward to working with the 6,500 VA IT employees as we strive to provide our internal customers and our veteran clients with the best IT services in government," says Roger. He will serve as the VA's CIO, advising the secretary of veterans affairs on matters related to IT, cyber security, and the computerized implementation and operation of many veteran programs and data banks. Roger is former president and CEO of Dataline LLC, a technology company, and was CIO for the Department of Commerce from 1998 to 2001. Before joining the federal government in 1998, his career with software and Internet firms included leading development of online banking systems at VISA International. He also was a senior executive at CACI International and General Dynamics.

Thomas Gorman, MBA '83, has been named COO of Spartan Motors in Charlotte, Mich. Tom oversees Spartan's four current business units in addition to implementing strategic growth initiatives for this leading manufacturer of custom chassis and emergency-rescue vehicles. Tom previously was president of business development and engineering at Fluid Routing Solutions. Prior to that he served as president and COO of North American operations for ZF Lemforder. He also spent 17 years at automotive and systems components maker Dana Corp.

Steven Hilfinger, BBA '84, has been promoted to managing partner of the Detroit office of Foley & Lardner LLP. Steven joined the Detroit office of the Milwaukee-based firm as a founding partner in 2000. His practice focuses on tier-one automotive suppliers.

Andrew Mansinne, MBA '85, has been appointed CEO of DOmedia (www.domedia.com), an online marketplace for buyers and sellers of out-of-home and alternative advertising media. Andrew joined DOmedia from Foster's Wine Estates Americas, where he led brand marketing efforts for the Americas region. He previously served for 12 years at Brown-Forman, ascending to the role of senior VP. Andrew also spent time in marketing at Quaker Oats and Ralston Purina.

John Ford, MBA '87, has been appointed CFO of Solidica, an Ann Arbor-based, award-winning leader in advanced vehicle telematics, network sensing systems, and advanced materials with innovative solutions for military, specialty vehicles, aerospace, and industrial customers. He is responsible for accounting, finance, planning, tax, and investor relations. Prior to joining Solidica John was VP of finance at Arbortext. He played a key role in helping them achieve 2,000-percent revenue growth and in selling the company to Parametric Technology Corp. in 2005 for more than $190 million.

Philip Martens, MBA '87, has been appointed president and COO of Novelis Inc. Philip last was senior VP and president of light vehicle systems for ArvinMeritor Inc. and president and CEO of Arvin Innovation. Prior to that he was president and COO of Plastech Engineered Products. From 1987 to 2005, he held various engineering and leadership positions at Ford Motor Co. Novelis is the global leader in aluminum rolled products and aluminum can recycling.

Gerard M. Anderson, MBA '88, president and CEO of DTE Energy, recently was elected to the DTE Energy Board of Directors. Gerry oversees all of DTE Energy's electric, gas, and nuclear operations, encompassed in its two main operating subsidiaries, Detroit Edison and MichCon, as well as all of its non-utility businesses. DTE Energy is a Detroit-based diversified energy company. Gerry is a resident of Ann Arbor.

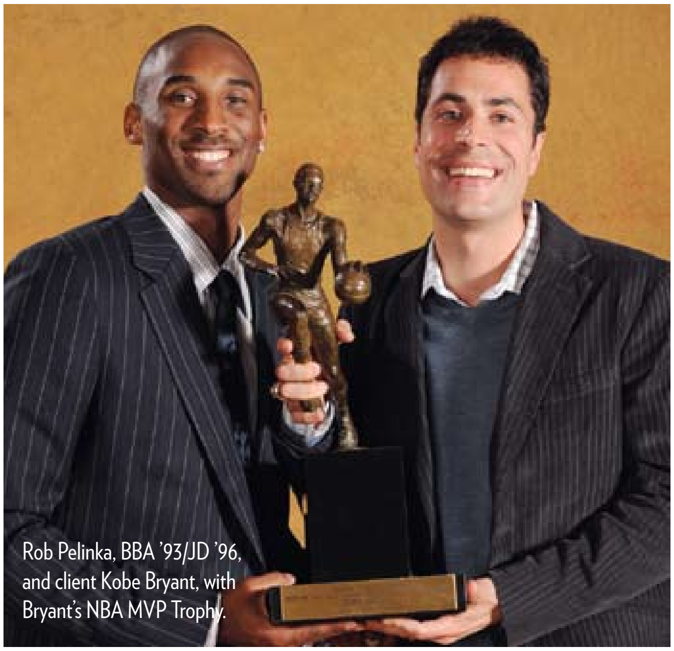
Felix Hsu, MBA '88, has been appointed senior VP of WuXi App Tec U.S. Prior to joining WuXi Felix worked at Medtronic for 14 years in several positions of increasing responsibility. Before that he worked for Abbott Laboratories and Sabratek. In his new role he is responsible for WuXi's U.S. business.

Mark Duchovic, MBA '84, has been promoted to director, global business planning and analysis for Brown-Forman Corp. He leads the strategic resource allocation process and is responsible for the management of the directors of business strategy and analysis for the global brand teams. He also leads the planning, forecasting, and reporting team in the finance group. Mark joined Brown-Forman in 2003 as the director, business strategy and analysis for Jack Daniel's. Before coming to Brown-Forman Mark was with Inland Paperboard and Packaging.

Joseph M. Nowicki, MBA '88, has been named CFO of Spartan Motors, the leading manufacturer of custom chassis and emergency rescue vehicles. Joe spent 17 years with Herman Miller Inc., most recently as treasurer, where he established the company's overall capital and debt structure, oversaw the company's pension and investment strategy, and led investor relations activities for the furniture manufacturer.

New Game Theory

Rob Pelinka, BBA '93/JD '96, Goes from Athlete to Agent



Rob Pelinka, BBA '93/JD '96, and client Kobe Bryant, with Bryant's NBA MVP Trophy.

The year was 1993, and BBA senior **Rob Pelinka** was on the road to his third NCAA Tournament as a member of the Michigan Wolverines men's basketball team. With college coming to a close, the conversation turned to careers. One of Pelinka's teammates asked him what he planned to do after graduation.

The former athlete says he looked out the window and saw a line of sports agents trailing the team bus. Pointing to the string of headlights he said, "Definitely not what those guys do."

Fast forward to 2009, and Rob Pelinka is on the road again. This time he's returning from the NBA Championship series where the Los Angeles Lakers took their 15th title. And this time he's actually doing "what those guys do," but on a much bigger scale. As founder of The Landmark Sports Agency in Los Angeles, Pelinka counts NBA superstar Kobe Bryant, the leader of those Lakers, as his top client.

Still, you won't find Pelinka chasing buses.

"Forming relationships is something I take great pride in," Pelinka says. "We're very select and form individual relationships with the guys. In business if you can find a niche, you can own it. If you do too many things, you do them kind of average."

This year The Landmark Sports Agency signed Arizona State University's James Harden, the third year in a row the agency added a top NBA draft pick to its roster. Harden was selected third overall by the Oklahoma City Thunder.

"The megafirms want to have a lot of clients," Pelinka says. "I want to have fewer — and bigger — clients."

He connects to those clients by fusing his passions for basketball and mentoring young people. When he was on the college court, Pelinka was one of the few men's basketball players in the country to go to three NCAA Final Fours. And he did it with different lineups. As a freshman in 1989, the Michigan team "shocked the world" with its title, earned after coach Bill Frieder left the squad right before the NCAA Tournament. Interim coach Steve Fisher led the Wolverines to the final wins. As a junior and senior Pelinka played on teams led by the infamous "Fab Five."

"I was blessed to go to three Final Fours, and each of the teams had totally different cultures and leadership styles," he says. "I've been able to study successful cultures and team dynamics and borrow bits and pieces from each of them. To form your own style you look at other models that have worked well. I've been fortunate to be part of some."

During his senior year Pelinka was named the NCAA's Walter Byers Scholar Athlete of the Year. After earning his BBA he attended the University's law school, graduated in 1996, and went to work practicing corporate law in Chicago. But it was a transition to the agency SFX Management that forced a true turnover in Pelinka's career. SFX represented the NBA's Bryant and Carlos Boozer, and when Pelinka left to form his own firm, Bryant, and later Boozer, went with him.

"Kobe has taught me so much about life and competition," Pelinka says of his superstar client. "We share a lot of qualities. He's incredibly detail oriented, strategic, and disciplined."

Pelinka himself was highly recruited out of high school, drawing interest from Northwestern, Illinois, Yale, Princeton, Duke, and Arizona. But Michigan offered the mix of athletic and academic excellence he sought.

That experience — the great teams on the hardwood and the multidisciplinary education — laid the foundation for representing the NBA's best. Finance, marketing, communication, and game theory all come into play when negotiating contracts and signing endorsement deals, Pelinka says.

"To me, business school is so much about learning how to think critically and work in group dynamics," he says. "The finance classes I had provided some numbers analysis that plays a big role in how I negotiate today. And when I get on the phone with an NBA executive, they know they're talking to somebody who's played at a high level. There's a trust there, and it's helped in convincing a team of a player's value — or whether a shoe deal is actually a good fit." *—Terry Kosdrosky*

PHOTO COURTESY OF ROB PELINKA

Robert Starr, BBA '89, has been named VP and treasurer of Kaman Corp. in Bloomfield, Conn. Robert came from Crane Co., a $2.6 billion diversified manufacturer of highly engineered industrial products. His responsibilities include oversight of the treasury department, banking relationships, capital market transactions, and investment management administration of the company's pension assets. Prior to joining Crane Robert served as managing director of corporate finance at Aetna and as director of capital markets and risk management at Fisher Scientific International. He previously was an associate at both Salomon Smith Barney in New York and Chase Securities in New York and Singapore. Robert and his wife, Ming, live in the Bloomfield area with their children, Ari, Zachary, and Elias.

David Galbenski, BBA '90, is the founder of Lumen Legal, which assembles, deploys, and manages combinations of legal professionals to meet defined corporate cost-containment goals. Lumen designs and delivers comprehensive in-house contingent staffing strategies and effectively manages large-scale document review projects. Resources also include a proprietary database of several hundred thousand legal professionals as well as field offices in 19 major U.S. markets and two locations in India. David has written *Unbound: How Entrepreneurship Is Dramatically Transforming Legal Services Today* (Lumen Legal, 2009), which dissects this recent upheaval and demonstrates how entrepreneurial best practices are being applied to the rapidly changing legal services industry.

Donna Lasinski, BBA '90, is the creator of the *ThinkStretch Summer Learning Program*, designed to address the disparities in the Michigan Educational Assessment Program (MEAP) test scores between racial and socioeconomic groups in the Ann Arbor school district. She designed grade-specific workbooks with eight weeks of lessons — reading, writing, math, and a bonus activity (usually science) — all based on Michigan grade-level content expectations. Dozens of teachers and parent teams vetted the workbook content. This summer four schools in Ann Arbor, one in New York City, and one in Idaho used the program, and other schools are showing great interest. Donna has spoken at PTO and PTA conventions in Texas, New Jersey, and Michigan. She lives in Ann Arbor where her three children attend school and use her system.

Gary M. Cates, MBA '93, recently accepted the position of president at Defiance (Ohio) Regional Medical Center, a member hospital of the Toledo-based ProMedica Health System. He most recently served as senior VP of operations at ProMedica's Continuing Care Services Corp. Since moving to Defiance, Gary also has been appointed to the boards of the Defiance Area Chamber of Commerce and the Defiance United Way. He also was elected to the board of trustees for Defiance College in April. Prior to joining ProMedica Gary worked at Johnson Controls, the U.S. House of Representatives, and the *Observer & Eccentric* newspapers. He also taught part-time at Spring Arbor University. You can reach Gary at gary.cates@promedica.org.

Jason Wanecek, BBA '95, has been named VP and district manager of the northern division of AXA Advisors LLC. Jason has management responsibility for the Troy, Mich., Great Lakes branch office of AXA Advisors and the district's 200 financial professionals. He will focus on recruiting individuals who want to build careers as financial professionals while providing ongoing training and development support to existing financial professionals. He also provides an array of financial protection and investment products and services.

Marc Amblard, MBA '92, is now VP of strategy for Alstom Transport, a global power in rail transportation equipment and services with $8 billion in sales. Alstom is the world leader in very-high-speed trains. Marc lives in Paris with his wife, Maureen, and their two kids. You can reach him at mm.amblard@free.fr.

Kelli Turner, BBA '92, has been appointed CFO and executive VP of Martha Stewart Living Omnimedia Inc. She is responsible for all aspects of the company's financial operations with oversight responsibility for financial planning, treasury, financial compliance and reporting, and investor relations as well as key administrative functions. A lawyer and CPA, Kelli joins MSLO from Time Warner where she was senior VP. She also worked for New Line Cinema, Allen & Co., Salomon Smith Barney, and Ernst & Young.

Eric London, BBA '93, has joined TTK Partners LLC as a partner based in Chicago. He leads the firm's consumer client coverage effort. Eric previously was at JPMorgan where he was an executive director responsible for middle market investment banking activities. Prior to that he was a VP at Bear Stearns where he advised on mergers and acquisitions, debt and equity financings, and other corporate finance matters. TTK Partners is a mergers and acquisitions advisory firm dedicated to serving the middle market.

What Women Want

Daniel Gaynor, BBA '06, Makes Beauty His Business

At the age of 25, Dan Gaynor, BBA '06, has found success at the helm of *be*beautiful, a $5.1 million enterprise.

Growing up, **Daniel Gaynor**, BBA '06, had no interest in the family business. He formed that impression as a boy during breaks from school. That's when his dad would put Gaynor and his two brothers to work in the warehouse of The Nailco Group (TNG), the business he'd founded in 1985. Based in Farmington Hills, Mich., TNG is one of the nation's largest distributors of professional beauty products. It also operates 22 stores in Michigan and northern Ohio.

"I remember one of my first jobs at 10 years old was to fold cardboard into boxes for hours at a time," Gaynor says.

The work deviated dramatically from what he thought was his ultimate dream: to become a plastic surgeon. But as Gaynor matured and prepared to enter college he had a change of heart about TNG.

"I realized I had the opportunity of a lifetime to work with my dad," he says. "So when I got to U-M, I started taking econ classes instead of biology and I applied to the BBA Program during my sophomore year."

In 2005, while Gaynor was still in business school, TNG launched the consumer website and catalog division *be*beautiful. Gaynor was named president of the Internet retailer while still a junior at Ross. As a result, he was one of the few members of his class who could make the legitimate and simultaneous claim of succeeding in business school *and* in business. In its first year *be*beautiful reported sales of $500,000.

"My dad's philosophy is that you have to fail to succeed," says Gaynor. "So he let me make the tough decisions from the beginning. If I made a mistake, it was okay. I learned from it and became smarter in the process."

Larry Gaynor's confidence in his son's ability to succeed appears to be well-founded. In 2008, *be*beautiful's direct consumer sales climbed to $5.1 million; the brand has expanded every year since its inception.

Sales growth aside, Gaynor, 25, admits the real challenge starting off was the delicate task of managing an older and more experienced staff.

"I'll never forget the first review I had to give," he says. "It was for an employee, also a U-M grad, who had been at the company for five years. I know she was looking at me like, 'Seriously? I have to report to *you* now?'"

As Gaynor grew into his role as president of *be*beautiful, he also adapted to his position as a man in the beauty business. He spends hundreds of hours sourcing and reviewing beauty products, many of which he samples before selling online or in the catalog. He also attends beauty trade shows around the world.

"Sometimes I feel like Mel Gibson in *What Women Want*," Gaynor says. "I've learned two things while working in this industry. One: God bless women. Two: Thank God I'm not one."

For his success as a young executive, Gaynor was named a winner of *Crain's Detroit Business'* "20 in their 20s 2009." The annual list highlights local professionals who are "living proof that there's work under way by young people to counter the region's brain drain."

His vision for *be*beautiful is undeniably ambitious. Gaynor is aiming to exceed sales of $10 million by 2012 and hopes to rank on *Internet Retailer*'s list of the top 500 websites.

*be*beautiful also participates in an important gender-neutral cause: the American Cancer Society (ACS). TNG is a five-star investor with ACS, meaning the firm participates in at least five programs to fight breast cancer and fund cancer research, education, and advocacy. Gaynor says TNG has raised over a million dollars for ACS thus far.

And even though he currently works for his dad, Gaynor considers himself an entrepreneur.

"*be*beautiful is a starting point for me," he says. "My dad has built the foundation of a very successful business. Having the opportunity to grow it into a billion-dollar empire and pass on his legacy is what changed my mind about becoming a doctor." *—Leah Sipher-Mann*

PHOTO BY C.J. BENNINGER

David Boyle, MBA '94, has joined datAvail as senior VP of sales. He brings 15 years of managed database and technology experience to the company and previously was senior VP of sales for Wipro. datAvail's president noted, "David brings the skills needed to grow sales in our Denver and Dallas locations and the ability to expand our sales team into D.C. and the Bay Area later this year." David lives in Boulder, Colo.

Michael Bobelian, BBA '95, recently published *Children of Armenia: A Forgotten Genocide and the Century-Long Struggle for Justice* (Simon & Schuster, 2009). After uncovering his family's experiences during the 1915-23 Armenian genocide, Michael struggled to rationalize how an event as widely reported as it was could fade from public consciousness. In his book he delivers a powerful lesson on the price that is paid when injustice goes unacknowledged and people are forced to live in the shadow of a century-old genocide. Michael is a lawyer and journalist. His work has appeared in Forbes.com, *American Lawyer*, and *Legal Affairs* magazine, and has been featured on NPR's *Leonard Lopate Show*. He resides in New York City with his wife and daughter. You can reach him at mbobelian@hotmail.com.

Joseph Prendergast, PhD '96, has joined Securities Litigation and Consulting Group (SLCG) as principal in its Virginia office. His research interests are the pricing and risk management of fixed-income securities and derivatives, applied econometrics, empirical investments, and interest rate monitoring. Prior to joining SLCG Joseph was principal and director of mortgage research at Smith Breeden Associates in Durham, N.C. He has worked extensively with mortgage-related investments including agency and subprime mortgage-backed securities, and cash and synthetic CDOs. He also has published several articles in the *Journal of Fixed Income* and a book chapter on mortgage options. For further information on SLCG or its research visit www.slcg.com.

Ryan Mack, BBA '97, appeared on the *CNN Money Summit* in June. Ryan's career in equity markets began in Detroit as a stock trader. He established a financial awareness group in 2003 and began publishing newsletters about financial issues. He then established his own financial planning firm, Optimum Capital Management LLC. He has two licenses of insurance and a certification for investment advice. He is registered in numerous states. Ryan teaches the merits of sound budget management and smart investing.

Alan K. Chuang, MBA '99, has joined Pillar Pacific Capital Management as a portfolio manager. After owning a Burger King franchise for several years, Alan returned to his business roots in finance. He started a small hedge fund before joining Pillar Pacific Capital. He also received his CFA charter in 2008. Alan lives in San Marino, Calif., with his wife, Jennifer, and children, Gabriella, 7, and Alexander, 5. Send him an email if you have any investment questions or just want to catch up at achuang@pillarpacific.com.

Anthony K. Sebro Jr., MBA '99, has joined PCT Cos. as managing director of its capital group. Tony is overseeing the launch of the firm's New York office, which will specialize in IP analytics, management, and monetization services. Formerly he was program director of technology and IP at IBM, where he was responsible for developing and executing strategies to leverage IP assets to generate business value. Prior to IBM Tony practiced law in the New York office of Kenyon and Kenyon LLP. PCT Cos. is the nation's only integrated provider of intellectual property-based public policy, strategic management, monetization, and analytics advisory services.

Manish Telikicherla Chary, MBA '03, is working as a product manager at General Electric Transportation Division in Melbourne, Fla. Manish recently published the book *India: Nation on the Move* (iUniverse.com, 2009), which presents illuminating insights into one of the fastest-growing economies in the world. This book is an all-in-one reference manual with facts, figures, and a practical introduction to India's people, culture, history, economy, foreign relations, and myriad other topics. A preview of the book is available at www.books.google.com, and it can be purchased from amazon.com, barnesandnoble.com, and several other places.

Jonathan Ives, MBA '03, is a director at Cobblestone Harris Williams. He previously worked for the National City Capital Markets Investment Banking Group. Prior to that he worked for several investment banking and financial advisory firms, including Credit Suisse First Boston, Lehman Brothers, Merrill Lynch, and Deloitte & Touche. Jonathan and his wife, Jennifer, live in Bentleyville, Ohio.

Prasanth Menon, MBA '03, is director of product management at promotional marketing firm Ohana Cos. He most recently was VP of strategy and innovation at Bank of America in Wilmington, Del., where he was responsible for product strategy and innovation in the card services organization. Before that he was an engagement manager at Booz & Co. in Dallas. Earlier he was an assistant VP at the Calyon Corporate & Investment Bank in Mumbai, India. Ohana Cos. offers the first 100-percent online solution to redeem, validate, and fulfill rebates. They are located in Wilmington, Del.

From Crunching Numbers to Breaking News

Richard Lui, MBA '01, Drops Anchor at HLN

Richard Lui, MBA '01, on the HLN set in Atlanta, Ga.

Ask cable news anchor **Richard Lui**, MBA '01, what he brings from his Ross experience to his journalism career, and he'll provide a most succinct answer: "Everything."

Lui works for HLN (formerly CNN Headline News), where he anchors *Morning Express with Robin Meade*. He took his chair at the network's desk in 2005 and has anchored live coverage ranging from the Virginia Tech shootings to the Mumbai train terrorist bombings. Reporting and anchoring such intense stories requires Lui to synthesize and contextualize multiple perspectives into one cohesive package. He daily falls back on the analytical training he picked up in business school, all while under the strict pressure of a deadline and the harsh glare of the studio lights.

"When I'm approaching a story, I look at it the way I would look at a business problem," says Lui. "As a consultant you have to look at a problem from many different angles. That's exactly what I do with a story, instantly."

Lui honed that skill during a 15-year business career prior to HLN. He put his MBA to work throughout the world at such companies as Mrs. Fields and Blink Mobile as well as startups like QED Environmental Systems, Mercer Management Consulting, and Lazarus Data Recovery.

But Lui has long had a love for journalism. His first job as an anchor, producer, reporter, and writer was for public radio station KALX-FM in Berkeley, Calif., prior to business school. At KALX he covered Dianne Feinstein's (D-Calif.) first run for the U.S. Senate and the 1992 riots in Los Angeles after police officers were acquitted in the beating of Rodney King.

In 2003, Lui was working for a startup in Singapore when he was offered a position as an anchor and producer at Channel NewsAsia. He couldn't resist the opportunity to return to his reporter's roots even though it meant taking a huge pay cut.

"I've always loved Tom Brokaw," Lui says. "I thought, 'If there's any time to get back into journalism, it's now.' I knew if I didn't do it then, it wasn't going to happen. So I went for it."

At HLN Lui says his most challenging stories are those that involve dynamic and multifaceted issues, like events in the Middle East. His strategy is to be as informed as possible and maximize the resources available at his bureau's international desk.

"The responsibility is quite large, but if you understand the complexity of what's happening in the Middle East on an ongoing basis, you can quickly give context to it," says Lui. "As a person talking through the TV, I don't get any response from the viewer. I have to instinctively know when to give detail and when to give the big picture."

This connection with the client — or audience — is another skill he first picked up in business school and later perfected in his consulting career. "I can never communicate how Ross can change you," says the anchor. "Journalism was doable for me because I had the confidence, skills, and philosophical thinking that Ross gave me." *—Leah Sipher-Mann*

PHOTO COURTESY OF HLN

Dan Kim, MBA ’05, and his wife, Selina, welcomed their first child, Sachiko Esther Kim, in January. Dan is a senior program manager at Microsoft Corp.

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Do you have news to share with Ross classmates? We’d love to hear from you. Send your class notes to dividend@umich.edu.

Trang Nguyen, MBA ’03, is founder and president of The Chill Cafe (www.thechillcafe.com), an upscale sandwich and dessert shop in San Francisco’s financial district. The cafe features unique sweets and treats with global influences — including all-natural frozen yogurt (black sesame fig, anyone?), organic coffee, Vietnamese-style sandwiches, and exotic fruit smoothies. Trang leveraged her experience in brand management from Kraft, retail from Best Buy, and marketing from Revlon to launch The Chill Cafe.

Ken Alozie, MBA ’07, founded BankingorBust.com to offer free tools, support, and advice to those in the financial sector. The website also offers students and job-seekers resources to prepare for careers in financial services. “Some of the most affected by this recession are laid-off junior and mid-level professionals who are equally frustrated by the behavior of executives at their former firms,” says Ken. The site features an arsenal of free resources including finance job postings, finance coursework, resume tips, sample interview questions, and forums to promote group support and education. It also offers cost-effective courses in financial analysis for students on a budget. Ken is an experienced investment banking professional and has worked for leading financial firms including Lehman Brothers, Marsh & McLennan, and P&M Corporate Finance. You can reach Ken at ktalozie@umich.edu.

Ajay Badhwar, MBA ’07, is in business development with Dow Oil & Gas. He recently was featured in *Net Impact: Impact at Work*. Ajay helped coordinate an effort to design a product and process to capture carbon dioxide from flue gas using advanced amine-scrubbing technology. The project created a new market segment for Dow and an amine-based carbon capture solution for Alstom’s carbon capture portfolio. The end result ideally will be technology that can significantly reduce the amount of CO_2 emitted into the atmosphere by the power industry. This project brings together the research power of Dow and the design expertise of Alstom. With Ajay’s help and leadership, Alstom is going to build, design, and operate a pilot plant using the new technology this fall. Ajay credits the project’s success to date to a cohesive communications plan. Email him at anbadhwar@dow.com.

Zoltan Mesko, BBA ’09, the nation’s top returning punter, was named to *Playboy* magazine’s preseason All-America football team for the first time in his career. He was a first-team All-Big Ten selection last season after leading the conference and finishing 19th nationally in punting average. Currently pursuing graduate studies at U-M, Zoltan is a three-time Academic All-Big Ten Conference honoree and this year was named one of three Big Ten distinguished student athletes on the football team. He is a four-time U-M Athletic Academic Achievement Award recipient. He needs four punts and 172 yards to set Michigan career records in both categories.

Write of Passage

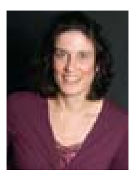
Novelist Susan Kearney, BBA ’76, Banks on Romance

While reading a science fiction romance novel by Johanna Lindsey at her kids’ swim practice, **Susan Kearney**, BBA ’76, had a realization: “I could write that.”

As it turns out she could and did. Kearney now is working on her 54th book and is a *USA Today* best-selling author, primarily of science fiction and paranormal romance novels.

“Before I wrote my first book I didn’t know how to type or write, and I hadn’t taken many English classes because I didn’t like literature,” says Kearney. “I wrote that first book by hand, all 600 pages.”

Several thousand pages later Kearney is firmly ensconced in her paranormal romance niche. Her title *Lucan*, chronicling the exploits of a telepathic dragon-shaper, hit bookstores in August. A tale of dragon love may seem a bit unusual for the uninitiated, but Kearney’s fans have long embraced her cast of unconventional characters. She’s written about sentient computers, time travelers, and asteroid miners to name just a few. And she has



Susan Kearney, BBA ’76, has penned more than 50 sci-fi romances, many of which are bestsellers.

PHOTO BY TARA KEARNEY

been published by the Tor, Grand Central, and Harlequin imprints since scoring her first deal with that original handwritten tome, *The Challenge*, which eventually was published as her 34th book in 2005.

Some would say Kearney’s pre-publishing career choices were as uncommon as her plot devices. Post-graduation she traveled the world as a professional exhibition diver. As part of her act Kearney staged comedy sketches, swam in a dolphin tank, and lit herself on fire.

But after getting married and settling down she dove head first into the more traditional realm of real estate, flipping houses and making her way in the commercial and industrial markets. Today she’s based in Tampa, Fla.

What is the most important thing Kearney learned at business school? “Use other people’s money to make money.”

Now she falls back on a different tactic: the happy ending. It seems to be a particularly sound strategy in such turbulent economic times. In fact Harlequin Books, which has published a number of Kearney’s titles, reported an uptick in 2008 sales even as the economy took a serious nosedive. Readers are just looking for a safe haven from harsh realities, she says.

They’re also looking for a good cover shot, she notes. (“I beg for sexy guys on the cover.”) But to really make it big in her genre it’s key to net a big print run and secure plenty of space at retail. And like the cliché dictates, sex does sell. But Kearney only pens love scenes between two committed individuals (human or otherwise) who are emotionally connected.

“Gratuitous sex is boring,” says Kearney. “When I write a love scene, I want it to be there for a reason. If you skip it, I don’t want the book to make sense. To me what makes sex interesting are the emotional underpinnings.

“I might put the characters through hell,” she continues, “but they’re going to end up together. Since people know there will be a happy ending, I have more freedom with the plot.”

Because Kearney incorporates so much science fiction into her books, her readership is diverse and even includes a significant male contingent. Plus Kearney believes readers who were introduced to paranormal content by way of Harry Potter and *Twilight* may one day transition to her style of romantic fare. But even as the audience expands the author stays true to the one reader who matters most.

“Do I make a living and sell some books or do I write what I love?” she says. “I don’t think I could really write a book I didn’t like. Plus if it has a good story, it will sell.” *—Leah Sipher-Mann*

OBITUARIES

Lewis William ("Bill") Seidman, MBA '49/HLLD '94, who led the federal response to the savings and loan crisis of the late 1980s as chairman of the FDIC, died May 13 in Albuquerque, N.M., of complications from pneumonia. He was 88. His defining role began in 1985 with his appointment by President Reagan to lead the FDIC, a job Bill referred to as combining "all the best aspects of an undertaker, an IRS agent, and a garbage collector." After leaving the FDIC in 1991, Bill was a frequent commentator on federal regulation of the financial industry. He was employed by the business network CNBC. A frequent subject of his later commentary was the need for a more urgent federal response to the current financial crisis.

Bill was born April 29, 1921, in Grand Rapids, Mich. After graduating from Dartmouth College in 1943, he served in the U.S. Navy in the Pacific theater during World War II and was awarded the Bronze Star. He returned to school and received a law degree from Harvard and an MBA from U-M. In 1944, he married Sarah Berry, a one-time U-M beauty queen. She survives him as do six children, 11 grandchildren, and two great-grandchildren.

Bill joined his father's accounting firm, Seidman and Seidman (today known as BDO Seidman LLP), rising to managing partner in 1968. When he stepped down in 1974 to serve as an economic adviser to Vice President Gerald Ford, the firm was among the nation's 10 largest. When Ford assumed the presidency, Bill became his key adviser on controlling inflation, the defining economic issue of that time. For all his achievements, he told friends and family he took greatest pride in leading the effort to persuade the Michigan Legislature to create a state college in 1963 to serve the area around Grand Rapids. That school is now known as Grand Valley State University. In the years before his appointment to the FDIC, Bill was vice chairman and CFO of the mining concern Phelps Dodge in New York and dean of Arizona State University's business school.

PHOTO COURTESY OF KELLY TUBBS CAMPBELL, MBA '04

Maj. Jason E. George, MBA '04, was killed in action in Iraq May 21. He was 38 years old. Jason was on foot patrol in Baghdad's Dora district when a suicide bomber detonated an improvised explosive device that killed three American soldiers along with at least 25 Iraqi civilians.

A graduate of West Point, Jason served in the U.S. Army for eight years before entering Ross and earning his MBA. After graduation he worked in the Chicago office of Deloitte Consulting in the strategy and operations practice and the life sciences and healthcare industry group. He was an Army Reservist assigned to the 252nd Combined Arms Battalion, Fayetteville, N.C., and was called back into active duty this spring. He flew into Kuwait April 22, and arrived in Baghdad on May 5.

Jason is survived by his parents, Hugh and Candy Mason (above), who live in Tehachapi, Calif. And though he was an only child it is clear Jason created a huge and loving b-school family during his time in Ann Arbor. Known affectionately on campus as "JG" or "the Tank," he is described by those who knew him as hilarious, adventurous, loyal, and kind. He had a gravitational pull that drew people to him regardless of age, gender, or ethnicity. He was an Eagle Scout who loved Ford cars and Michigan football.

But what was perhaps less well understood was Jason's sense of duty and honor, says Kelly Tubbs Campbell, MBA '04. "This was the quality that I admired most about him," Campbell says. "Jason had a sense of service to causes greater than himself, and he was not afraid to fight for those causes. In fact he died fighting for one of those causes, and we are forever in his debt as a result. It was this courage that I loved about him."

Jason also was exceptionally talented and driven, Campbell says. In addition to graduating from West Point, he completed U.S. Army Ranger School and was a distinguished graduate of the U.S. Army Armor Officers Advanced Course. He was a skilled athlete who played rugby, tennis, baseball, soccer, and basketball — and was an undefeated boxer at West Point. Clearly a people person, he was an admissions ambassador for Ross as both a student and alumnus, served as fundraising chair for the Ross School's Go Blue Rendezvous weekend for admitted MBA students, and was a board member of the 2004 Graduate Business Conference. At Deloitte he served as the team lead for MBA recruiting.

 Eric Flamholtz, PhD '69, Globetrotter

Around the World in 24 Days

Eric Flamholtz, PhD '69, with wife, business partner, and traveling companion, Yvonne Randle.

Life-changing experiences occur every day. They can be joyful or tragic. Mundane or extraordinary. There are life-changing experiences that sneak up on us. And there are those we pursue with a passion.

Last October I pursued one of my own in the form of a 24-day expedition organized by National Geographic. The voyage took me from Samoa to Cairns, Australia; from Cambodia to the Sichuan Province of China; from Tibet to Agra, India; and from Cairo to the marketplace of Marrakech, Morocco. I visited Easter Island and the Serengeti Plain; I saw the Taj Mahal and the Sphinx. I feel as though I literally went around the world in 24 days. And though I was never chased or captured by bandits (a la Indiana Jones), I will never forget what can only be described as the journey of a lifetime.

I walked with aboriginal guides in the Australian rain forest and learned to throw a spear. I climbed the 500-plus steps of the Potala Palace at Lhasa, Tibet, the former residence of the Dalai Lama. I visited the tombs of Luxor at night and heard the whispers of thousands of years of history.

In Tanzania I did a game drive in the Serengeti and saw a herd of wildebeest so large it defied counting. Signs warned we were intruders in lands inhabited by wild animals and the lodge was not responsible for our possible deaths. We heard the cries of the bush in the night and saw evidence of elephants roaming through camp. Baboons watched us from behind trees as we scanned the path for poisonous snakes. At night we were escorted to our tents by guards armed only with their wits and a flashlight as well as valuable advice: If you see lions, don't run. Ever! Make yourself as large as possible and try to scare them. (If all else fails, warn them about the fierce Michigan Wolverines who will come back to avenge you!)

I walked the narrow streets of Marrakech with a guide in front and a guard with a concealed weapon in the rear. I saw the snake charmers, smelled the indescribable fragrance of the souk, and walked past shops of every product and description: meats, coffees, perfumes, pots and pans, rugs — the original shopping mall!

I marveled at Machu Picchu bathed in clouds and mist, and wondered how this place was built and by whom. I photographed the giant Moai statues of Easter Island at midnight — truly magical and not of this world. I watched the sun rise over the Taj Mahal and saw it change before my very eyes as the light transformed its surface.

In Cambodia I was transfixed by beautiful dancers, exquisitely costumed and moving with breathtaking subtlety and grace. Then I took an elephant ride to the temple of Angkor Wat. In Samoa I visited the home of Robert Louis Stevenson, where I saw an amazing portrait of the writer that would suggest Dr. Jekyll and Mr. Hyde were well-known to him.

Throughout I heard brilliant lectures about the history, art, customs, architecture, and religions of the places we visited from local guides and two professors who accompanied us. It was a "traveling university" to be sure. During one delayed flight we enjoyed an impromptu presentation about T.E. Lawrence, which provided valuable insights into the current problems in the Middle East.

There was more, so much more. Delightful memories and surprises still linger in my mind. I smiled every day of the trip, recognizing how extraordinary this life-changing adventure truly was.

Eric Flamholtz is a professor emeritus at UCLA Anderson School of Management and president of Management Systems Consulting Corp. in Los Angeles. He is an expert on transitioning entrepreneurial ventures into professionally managed firms. As *Dividend* went to press he was off to the Amazon and the Galapagos Islands.

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ROSS SCHOOL OF BUSINESS

University of Michigan
701 Tappan Street
Ann Arbor, MI 48109-1234