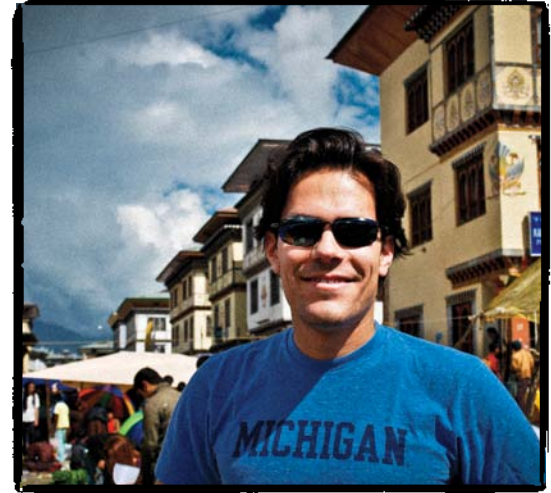


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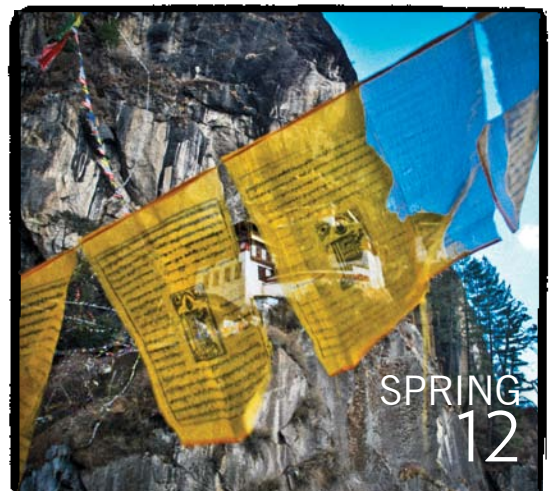


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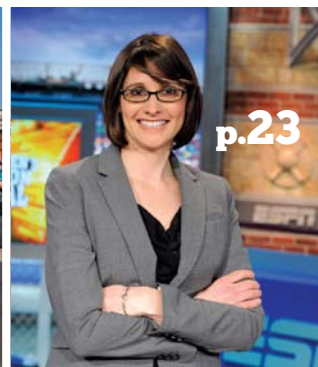
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This issue of *Dividend* is the last for **Deborah Holdship**, editorial manager. Deborah came to Michigan Ross in 2007, and her enthusiasm for sharing tales of alumni, faculty, and student happenings was apparent immediately. We shall do our best to honor Deborah by maintaining her high standards in the future.

LEFT TO RIGHT: COURTESY OF MICHIGAN ATHLETICS; SCOTT STEWART, JOE FARAONI (ESPN)

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As chairman of the Seattle Museum of Flight, **MIKE HALLMAN, BBA '66/MBA '67**, feeds his passion for technology, innovation, and the boundless creativity of the human spirit. Hallman's career has placed him in iconic firms at critical points in their history. During 20 years at IBM Corp., he helped usher in the era of personal computing. He was a senior executive at the Boeing Co. during the development of the 777, the first plane entirely designed on computers. And he was president and COO of Microsoft Corp. as the Internet exploded and affordable, easy-to-use software democratized computing. Currently, he is president of Seattle-based consulting firm the Hallman Group. In 2000 Hallman and his wife, **Mary Kay Hallman**, established the Hallman Fellows Fund at Michigan Ross to support outstanding junior faculty who are doing research on business innovations.

- 1 What keeps you up at night?** Email and conference calls with clients and colleagues in Japan.
- 2 What's a recent book you've read?** Ken Follet's *Fall of Giants*. Half the books on my Nook are historical novels.
- 3 What's the first album you ever bought?** I will date myself here. I think it was a Kingston Trio album on black vinyl. (My granddaughters can't figure out how it would ever fit into an iPod.)
- 4 One destination you dream of but haven't gotten to yet?** New Zealand.
- 5 What's the most thrilling thing you've ever done?** I was at Mission Control on July 8, 2011, for the launch of Atlantis, the last space shuttle mission.
- 6 Guilty pleasure?** I bought a boat but haven't taken enough time to really enjoy it.
- 7 Personal hero (and why)?** Neil Armstrong. He is the brightest, calmest, most humble, and most competent person I've ever met. When you consider that the computing technology he used was closer to an HP 12C calculator than to your desktop PC, his moon landing was truly remarkable.
- 8 First job?** Short-order cook at a restaurant in a Sears store in Chicago.
- 9 How about your worst job?** Cleaning cages and feeding the monkeys in the U-M psych lab for one semester.
- 10 Unfulfilled wish?** To really retire.
- 11 What is one thing you learned in business school that you'll never forget?** Do not procrastinate on important decisions. Leadership is knowing when you have enough information and recognizing you will never know everything.
- 12 Best business decision?** To leave IBM after 20 years and go to Boeing.
- 13 Most important room in your home?** My workshop. Making sawdust is relaxing.
- 14 First website you access in the morning?** Quicken stock quotes, then email.
- 15 Favorite comfort food?** Spaghetti.
- 16 Favorite line from a movie?** "Go ahead. Make my day." —Clint Eastwood as Harry Callahan in *Sudden Impact*.
- 17 Three people, living or dead, you'd have over to dinner?** George Washington, Abraham Lincoln, and Ronald Reagan to discuss how our democracy is supposed to work.
- 18 Best trophy/award you ever won?** Getting my BBA and MBA at Michigan and becoming the first member of my family to graduate from college.
- 19 If you could read anyone's mind, whose would it be?** President Obama's.
- 20 What did you want to be when you were a kid?** I wrote a story when I was 10 or 11 where I said I wanted to be a businessman and carry a briefcase.

CINDY SCHIPANI is the Merwin H. Waterman Collegiate Professor of Business Administration; professor of business law; and chair of law, history, and communication. More importantly, she holds the unofficial title of world's most passionate Bruce Springsteen fan. When she's not focused on the Boss, Schipani is pursuing research in the area of corporate governance, with an emphasis on the relationship among directors, officers, shareholders, and other stakeholders. Most recently, she co-authored research with finance professors **Nejat Seyhun** and **M.P. Narayanan** that shows small companies are more likely than large firms to commit illegal backdating of executive stock options, but are less likely to be punished for it.



16 Unfulfilled wish? Having my picture taken with Bruce Springsteen (pictured here with a wax version).

- 1 What keeps you up at night?** If it's not class prep, it's my teenage daughters.
- 2 What's the first album you ever bought?** The Monkees.
- 3 One destination you dream of but haven't gotten to yet?** Lizard Island (on the Great Barrier Reef).
- 4 What's the most adventurous thing you've ever done?** I strummed Bruce Springsteen's guitar at a concert while he was playing "Born to Run."
- 5 Guilty pleasure?** Going to concerts (especially Springsteen's).
- 6 Personal hero (and why)?** My mom. She never strayed from her values. She raised seven daughters and endured a debilitating illness for three decades, yet never failed to bring out the best in everyone around her.
- 7 First job?** Frosting and filling Dunkin Donuts.

- 8 How about your worst job?** The closing shift behind the counter at the movie theater. Cleaning the popcorn machine is a messy job.
- 9 What is one thing you learned in business school that you'll never forget?** Debits must equal credits.
- 10 Best business decision?** Buying property in Hawaii.
- 11 Most important room in your home?** The kitchen. Great conversation happens there.
- 12 First website you access in the morning?** Backstreets.com.
- 13 Favorite comfort food?** Dark chocolate.
- 14 If you had a free hour to do anything you could, what would it be?** Have my picture taken with Bruce Springsteen.
- 15 Best trophy/award you ever won?** A merit scholarship for my undergraduate education.

- 17 What's on your iPod?** Besides everything Bruce Springsteen has recorded, Elvis Presley, Jimmy Buffett, John Mellencamp, Bob Seger, Brother Iz, Bonnie Raitt, Carole King, Olomana, Bruno Mars, Kelly Clarkson, Adele, Aretha Franklin ...
- 18 Favorite line from a movie?** "We'll always have Paris." —Humphrey Bogart as Rick Blaine in *Casablanca*.
- 19 Three people, living or dead, you'd have over to dinner?** My mom, Bruce Springsteen, and President Obama.
- 20 If you could read anyone's mind, whose would it be?** My teenage daughters' (I think).



Don't mess with **RAELYN JACOBSON, MBA/MS '13**: The mixed martial arts fighter is an eight-time gold medalist at the U.S. Fencing Championships and a silver medalist at the World Cup. She's a force to be reckoned with in the kitchen, too. This graduate of Le Cordon Bleu School of Culinary Arts once owned a cake business in London. But a horseback ride across Mongolia sealed Raelyn's interest in the environment. "Seeing the influx of non-biodegradable products there made me realize that issues of sustainability will be critical to any business going forward." The dual-degree student in the Frederick A. and Barbara M. Erb Institute for Global Sustainable Enterprise is pursuing a career in consulting.

- 1 What keeps you up at night?** The undergrads on my block.
- 2 What's a recent book you've read?** *Cradle to Cradle* by William McDonough and Michael Braungart.
- 3 First album/CD you bought?** Beethoven's piano sonatas. I was learning to play "Pathetique" at the time.
- 4 What's the most thrilling thing you've ever done?** I rode horseback across Mongolia to work two aide stations for the Sunrise to Sunset eco-ultra marathon.
- 5 Personal hero (and why)?** Gilbert White. He won National Geographic's Hubbard Medal, was Haverford's youngest president, established WWII aid to French orphanages, and argued with President Hoover about flood control. He also married my parents; taught me how to count; and displayed courage, generosity, and a marvelous sense of humor in everything he did.
- 6 First job?** Production intern at a design company.

- 7 Best business decision?** Running a house painting company in college.
- 8 What advice would you give to yourself 10 years ago?** Don't take the easy way out just because it's easy.
- 9 The one thing you've learned in business school that you'll never forget?** I always want to surround myself with high-caliber, positive people.
- 10 First website you access in the morning?** Gmail, followed by BBC News.
- 11 Favorite comfort food?** Bacon and egg breakfast burritos with a large helping of salsa.
- 12 If you had a theme song, what would it be?** "Hang with Me" by Robyn.
- 13 Favorite line from a movie?** "Stop looking at me, swan." —Adam Sandler as Billy Madison in *Billy Madison*.
- 14 Unfulfilled wish?** More hours in every day.

- 15 Three people, living or dead, you'd have over to dinner?** My grandmother, Auguste Escoffier, and Ellen DeGeneres — especially if Escoffier cooked and Ellen and my grandmother told stories.
- 16 Best trophy/award you ever won?** Clinching the gold for the USA fencing team with a 30-29 victory over Mexico at the Pan American Games.
- 17 What did you want to be when you were a kid?** A firefighter, a cartoonist, and an Olympic swimmer.
- 18 If you were applying to Michigan Ross again, what advice would you give yourself?** Don't bother finishing those other applications. Ross is *really* where you want to go.
- 19 Where would you retire?** Somewhere near the water with great local food, lots of greenery, and plenty of laughing people.
- 20 What are you afraid of?** No longer viewing life as an adventure.

TAPPAN & HILL



The Four Seasons Beverly Wilshire Hotel will serve as home base for the EMBA Program in L.A.

California, Here We Come

EXECUTIVE MBA PROGRAM OPENS IN LOS ANGELES

Michigan Ross will offer its 20-month Executive MBA Program in Los Angeles beginning in August.

The move to the West Coast aligns with Dean **Alison Davis-Blake**'s early priorities regarding executive education and globalization. It offers access to a vibrant market and delivers the highly ranked EMBA Program to busy professionals who otherwise would not travel outside the region for education. The move also opens a gateway to new industries, perspectives, and educational opportunities for Michigan Ross faculty, students, and alumni.

"Given the changes in the global market for graduate business education, we need to offer programs delivered in formats and locations that best meet evolving student demands," says Davis-Blake. "Los Angeles offers an ideal entry point for EMBA. It has a vibrant, diverse economy and is easily accessible from the Pacific Rim. The market share exists for a top-tier MBA program, and I'm confident Michigan Ross will become the program of choice in the region."

The Los Angeles EMBA curriculum and once-a-month format will follow the Ann Arbor model closely. Most current EMBA faculty will teach in both programs. At times, students in both cohorts will convene in the same location and engage in coursework together. Ann Arbor residencies are based in the Executive Learning and Conference Center on the Michigan Ross campus. Los Angeles residencies will be based in the Four Seasons Beverly Wilshire Hotel in Beverly Hills. Tuition and fees are the same for each location and cover a complete living and learning experience, including meals and lodging.

A GLOBAL FOCUS The launch of EMBA in Los Angeles is the latest example of Michigan Ross' expanding global footprint. Increasing global access to the school and its world-class faculty has been a key focus for Davis-Blake since she joined Michigan Ross as the Edward J. Frey Dean of Business in July 2011.

Early in her tenure, she established the Office of Global Initiatives to integrate existing relationships and opportunities, and identify new ways to deliver globalization across all business school programs. Currently, the Michigan Ross Global MBA

Program offers modules in Japan, Korea, and China and concludes with a 13-month residency in Ann Arbor. The school also delivers open-enrollment and custom executive education programs across the globe. In addition, several courses, independent studies, and internships take Michigan Ross students abroad. In 2012 the Multidisciplinary Action Projects (MAP) course counted 47 international projects from a total of 96 options.

In late 2011 Davis-Blake visited London and spoke with editors from the *Financial Times* and *The Economist*. "Michigan Ross is indeed a powerful global player, and it's critical we share that message with the global business audience," she says.

Davis-Blake also traveled to Malaysia in 2011 and signed a memo of understanding with Kuala Lumpur Educational City and Bank Negara, the nation's central bank. The goal is to build educational capacity and facilitate graduate business education in Southeast Asia.

EXCELLENCE AT HOME AND ON LOCATION In 2010 the *Financial Times* ranked the Michigan Ross EMBA No. 2 in general management and No. 4 in corporate strategy. In the 2011 *Bloomberg Businessweek* survey, the Michigan Ross EMBA was the only top 10 program to earn an "A+" in teaching, curriculum, and support. In addition, the program earned an "A+" in finance, marketing, and strategy.

Candidates for the Michigan Ross EMBA Program typically have 10-15 years of experience, with more than five years in a supervisory role. Programming reflects participants' significant expertise and appeals to leaders at the director, VP, or chief executive level. Coursework speaks to high-potential leaders seeking to advance their careers and ascend to senior management in their organizations. The curriculum places intense focus on personalized leadership development and delivers a strategic, global perspective.

"Everything we teach is designed to prepare our students to be decision-makers at a very high level," Davis-Blake says. "As we further perfect this model of remote delivery, we hope to replicate it for students in cities across the U.S. and beyond." ❖

Coaches in the Classroom: Applying Sports Leadership to Business

Executive Education Teams with Michigan Athletics
for Groundbreaking Program



An extraordinary new entry in Michigan Ross Executive Education takes participants inside Michigan Athletics for an exclusive exploration of leading high-performing teams. “Leaders and Best: Winning the Leadership Game” features Michigan Ross’ top leadership faculty, alongside U-M’s Donald R. Shepherd Director of Athletics **David Brandon**, Head Men’s Basketball Coach **John Beilein**, Head Football Coach **Brady Hoke**, and Head Softball Coach **Carol Hutchins**.

The program debuts June 24-29.

Participants — high-level executives and senior members of large organizations, as well as small-business owners — will explore new approaches to building a culture of excellence and accountability, leading turnarounds and transformations, inspiring top performers, taking on fierce competitors, and producing winning results.

“With the most successful college football team in U.S. history and a deep lineup of nationally acclaimed varsity sports, the all-star coaches at the University of Michigan define leadership,” says **Kim Cameron**, associate dean of Executive Education and the William Russell Kelly Professor of Management and Organizations. Cameron will teach business modules alongside **Scott DeRue**, assistant professor of management and organizations and co-director of the Ross Leadership Initiative; and **Bob Quinn**, Margaret Elliott Tracy Collegiate Professor of Business Administration and professor of management and organizations.

“Michigan’s unique approach to positive business and organizational leadership, coupled with the opportunity to be taught by coaches who have produced world-class performance, is an opportunity no senior leader should miss,” Cameron says.

Highlights include exclusive access to Michigan’s renowned sports facilities, game-play enactments, and health and wellness activities. Throughout the program, participants will focus on research-proven methods to implement culture change; build brands; and recruit, motivate, and lead high-performing teams.

For more information or to register, visit www.execed.bus.umich.edu or call Richard Olson at 734-647-8134. ✦

BBA Program Expands Numbers, Enhances Curriculum

Innovation in the BBA Program is a top priority for Dean **Alison Davis-Blake**, supported by a recent Carnegie Foundation report citing business as one of the most popular undergraduate majors, at 21 percent nationally.

Potential curriculum changes include an introductory course to open the core, with an intensive capstone at the conclusion. The BBA Faculty Committee also is considering ways to allow students to study abroad for a semester. In addition, the committee designed a minor for non-Michigan Ross students that could begin in 2013.

“Our goal is to ensure a transformational experience for our BBA students,” says **Lynn Perry Wooten**, associate dean of undergraduate programs and clinical associate professor of strategy and management and organizations. Her team includes **Paul Kirsch**, managing director of the BBA Program, and **William Pierce**, director of BBA admissions.

Admission to the three-year program is extremely competitive. This fall, the incoming class will grow by an additional 80 students, for a total class of 500. Preferred admission, where students apply directly from high school and begin the program as sophomores, remains highly selective. The 2010 preferred admission process saw 1,283 applicants for 110 spots, with an average high school GPA of 3.9. Ninety-nine of those students entered the BBA Program the following fall, and their U-M GPA was 3.6. Last year, regular admission applicants totaled 1,053 for 322 spots. Their average freshman GPA at U-M was 3.6.

“We’re confident we can increase the size of the BBA Program and maintain our current level of quality,” says Wooten. ✦



SEGAL FAMILY ENDOWS BBA SCHOLARSHIP FUND University of Michigan alumnus **Merton Segal, AB '50**, and his wife, **Beverly Segal**, recently established the Merton and Beverly Segal Family Scholarship Fund with a \$1 million endowment to support southeast Michigan BBA students who demonstrate financial need. A portion of the Segals’ gift was used for capital and operating expenses at Michigan Ross. In fall 2011 the Segals visited the Michigan Ross campus to name the Merton and Beverly Segal Family Group Study Room. Pictured from left: **Lynn Perry Wooten**, associate dean of undergraduate programs and clinical associate professor of strategy and management and organizations, Merton Segal, Beverly Segal, **Carol Segal-Ziecik, BFA '79**, **Laura Segal, BFA '83**, and Dean **Alison Davis-Blake**. ✦



Michigan Gov. Rick Snyder, BGS '77/MBA '79/JD '82, and Raghu Mendu, MBA '81

Dissolving Boundaries at the India Business Conference

As an entrepreneur and venture capitalist, Michigan Gov. **Rick Snyder, BGS '77/MBA '79/JD '82**, knows firsthand the value created by connecting the U.S and India. He's anxious to strengthen ties between the world's two largest democracies but worries that artificial, not national, boundaries are getting in the way.

"If you look at the future of human and business relationships across the globe, you're seeing those boundaries grow," Snyder said in his keynote address at the 2011 India Business Conference. "That's backward."

There's too much for each nation to gain economically, culturally, and educationally to let that happen, he said. "The success of this world is about making those boundaries dissolve."

Ambassador **Nirupama Rao** agreed. The U.S. and India share many common concerns, from political issues like security and terrorism to socioeconomic imperatives like jobs and human development.

"When we talk about partnership and cooperation, it's about energy, health, education, science, technology, and business," noted the Indian envoy to the U.S. "This partnership is about making a difference in people's lives."

Rao encouraged business students to "look East," reminding them that India's GDP has grown steadily at about eight to 10 percent per year. Opportunities for business development abound as the country looks to grow infrastructure and spark innovation in clean energy, agriculture, communication, and health.

"I think we need a rediscovery of India," she said. ✦

Groupon Co-Founder: "Entrepreneurs Matter Now More Than Ever"

Serial entrepreneur **Brad Keywell, BBA '91/JD '93**, takes his calling quite seriously. "If you are becoming an entrepreneur, you hold the key not only to your future, but the future of our country," he told attendees at the 2011 Entrepalooza Symposium.

Keywell is co-founder and director of Groupon Inc., which utilizes social networking to enable group purchasing. Founded in November 2008, Groupon counts some 7,000 employees and offers deals in more than 40 countries. The venture is just one of many Keywell has attempted over the years, and not all have been winners. Groupon, in fact, emerged from the ashes of a failed business plan.

"Underneath every failure is an opportunity," Keywell said. "The question is whether you can pivot and find a gem of greatness."

Despite the tough economy, several key factors favor the business creator today, he said. Capital markets are more efficient, data and information are inexpensive or free, technology is more accessible than ever, and mobile and social media applications create opportunities that didn't exist a few years ago.

"How exciting is that?" Keywell asked Michigan Ross students. "You hold the future vibrancy of our nation. If you win, great. But if you fail, that's often the precursor to something better."

Entrepalooza is presented annually by the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies, the Center for Venture Capital and Private Equity Finance, and the Michigan Entrepreneur and Venture Club. ✦



Brad Keywell, BBA '91/JD '93



HAIL TO THE VICTORS

One benefit of serving as chairman, president, and CEO of the Allstate Corp. and Allstate Insurance Co. is hosting the Allstate Sugar Bowl each year. For **Tom Wilson, BBA '79**, (left), the 2012 game was particularly thrilling, as he watched his own Michigan Wolverines conquer Virginia Tech. Wilson is pictured here with ESPN personality **Chris Fowler** as he delivers the trophy to Michigan Head Football Coach **Brady Hoke**. ✦

David Brandon's Guide to Leading High-Performance Teams



As the former chairman/CEO of Domino's Pizza Inc., **David Brandon, AB '74**, brings unique perspective to his current role as director of intercollegiate athletics at the University of Michigan.

"Fundamentally, the leadership role is very similar," Brandon says of his shift from the corporate sector to the nonprofit realm. "But if your corporate team screws up, you can't make them run laps."

During his tenure at Domino's, Brandon led the organization to the largest IPO of a restaurant company in history. He oversaw an operation that counts 275,000 employees and 9,500 retail outlets across 69 countries.

Today, he serves as nonexecutive chairman of the company.

As the University's Donald R. Shepherd Director of Athletics, Brandon finds himself on an entirely different field. He leads some 275 full-time employees, serves about 850 student-athletes, and stewards a much-revered brand in which tradition plays a starring role. Brandon, himself, factors into that storied tradition. He played football for the legendary **Bo Schembechler** and was a member of three Big Ten championship teams at Michigan.

He will be a featured presenter at June's Michigan Ross Executive Education course "Leaders & Best: Winning the Leadership Game," alongside Michigan coaches **John Beilein, Brady Hoke, and Carol Hutchins** (www.execed.bus.umich.edu). The self-described change-agent shared the following leadership principles during Reunion Weekend in October.

- 1 Adjust According to Your Teams' Strengths.** Bo had a great skill for assessing people to find out what their needs were. He adapted his leadership and management style to get the most out of his players. I've tried to do that as well.
- 2 Keep It Simple.** If your strategic plan doesn't fit on a single side of a sheet of paper, it's too cumbersome. At Michigan Athletics, we demand integrity. We work hard to win championships. We remember what he taught us: the team, the team, the team. And if you don't know who "he" is, you no longer work at Michigan Athletics.
- 3 Be Transparent.** As a leader, you have to communicate, connect, and be visible. People crave information. They want to feel part of something bigger than themselves. They want to be informed.
- 4 Embrace Change.** Getting a lead in facilities, results, and resources requires change. I identified some people who weren't real happy about change and suggested they go work at Michigan State. I think we have a nice balance now of embracing tradition but understanding that change can be good.
- 5 Find Out What Inspires You.** When I get frustrated, I watch a team practice for 15 minutes. To see these student-athletes trying to get better, with the spirit and conviction they have to represent Michigan, is incredibly motivating. ✖



Chrysler Group CEO Sergio Marchionne

Leading from Hell and Back

In 2009, with the U.S. auto industry reeling amid a severe recession, some questioned whether an ailing Chrysler Group was worth saving. CEO **Sergio Marchionne**, who'd previously engineered Fiat's comeback, wasn't cowed by public opinion. He saw value in Chrysler just as he had in Fiat years before.

"The people of Fiat and Chrysler come from different paths and different parts of the world, but they have one thing in common," Marchionne recently told a packed audience in Blau Auditorium. "Both have been to hell and back.

"My colleagues and I are survivors," he continued. "The tough decisions we make at Fiat and Chrysler today are informed by the experience of near-extinction."

Chrysler emerged from an orderly Chapter 11 in 2009 thanks to government loans; Fiat's ownership stake; and sacrifices made by employees, creditors, and lenders.

But the speed and depth of Chrysler's turnaround surprised nearly everyone. That's partly due to the tools Fiat provided Chrysler via the merger, such as technology and quality small-car architectures. It's also due, in part, to Chrysler's new senior leadership.

"It took a fearless team to bring about such a remarkable result," Marchionne said. ✖

Embracing MLK's Dangerous Unselfishness

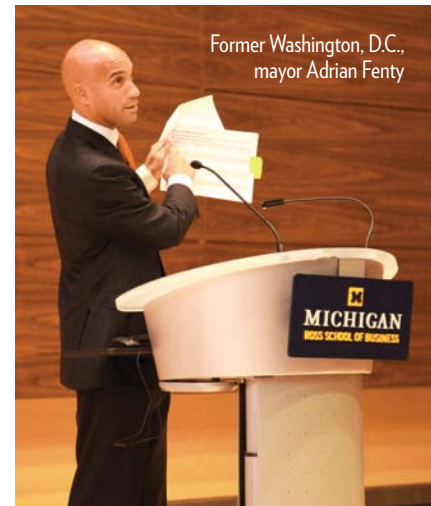
One of **Adrian Fenty's** favorite lines from **Martin Luther King Jr.** concerns “dangerous unselfishness.” It’s the idea that everyone, not just leaders, must show courage and stand up for what’s right.

When he was elected mayor of Washington, D.C., in 2006, Fenty embraced that concept and took on the district’s failing school system. He made the school chief his direct report and negotiated a breakthrough collective bargaining agreement that established performance-based teacher evaluations. Test scores and graduation rates rose,

and in 2010 enrollment in the district’s public schools increased for the first time in 39 years.

Ultimately, the controversial reforms cost Fenty his reelection bid. “Politically, it was a costly move,” he said during the annual Martin Luther King Jr. Memorial Lecture in Blau Auditorium. “But we have a responsibility to stand up for what we believe. If we do that, we will develop that dangerous unselfishness that Martin Luther King talked about.”

The annual MLK Lecture is offered as part of the school’s William K. McNally Memorial Lecture Series. ✕



Former Washington, D.C., mayor Adrian Fenty

PRIVATE EQUITY POST-OP

Three years removed from the 2008 financial crisis, the private equity world is shaking out by way of natural selection, according to industry leaders at the Michigan Private Equity Conference in October.

The industry is in “the reflective phase after the heart attack,” said **Stewart Kohl**, co-CEO of New York-based the Riverside Co. He keyed the conference, presented by the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies and the Center for Venture Capital and Private Equity Finance.

“There are zombie private equity groups among us who won’t be able to raise their next fund,” he said. “Capital is going to gravitate to those who have done an outstanding job managing through the recession.”

In January **David Brophy**, director of the Office for the Study of Private Equity Finance at Michigan Ross, weighed in on the attacks waged against presidential hopeful **Mitt Romney** for his longtime role at Bain Capital. The public’s negative image of private equity reveals a lack of understanding about the industry, Brophy said. “If you deny the fundamentals of private equity, you deny the value of the endogenous growth model that is at the core of what we believe in the United States.” ✕

Breaking Through on Climate Change

The buildup of heat-trapping emissions from burning fossil fuels and clearing forests is changing the climate, posing risks to our well-being. That’s the conclusion of the U.S. National Academy of Sciences, the world’s leading scientific societies, and the overwhelming majority of practicing climate scientists.

Professor **Andy Hoffman** cited this during a January town hall to raise the quality of debate around climate change. “We have a scientific consensus on climate change, but we do not have a social consensus. Why is that?” Hoffman asked of the scientists, religious leaders, politicians, social scientists, and students who attended the event, presented by the Frederick A. and Barbara M. Erb Institute for Global Sustainable Enterprise.

Hoffman was joined by **Steven Percy, MBA ’72**, retired CEO of BP America and now director of Omnova Solutions Inc., who said the market seems to have accepted the reality of climate change, making the ongoing debate feel like old news. “It’s hard to find a major corporation now that doesn’t have a program around climate change,” he said.

So why do other sectors in society remain unconvinced? Hoffman, director of the Erb Institute and the Holcim (U.S.) Professor of Global Sustainable Enterprise, cites lack of knowledge about the scientific process and a mistrust of science in general. Human nature plays a part as well.

“We form an opinion, then look for evidence — instead of the other way around,” Hoffman said.

Bob Inglis, a former Republican congressman from South Carolina, also participated in the town hall. He initially dismissed climate change as “a bunch of nonsense.” Then two things happened: His son reached voting age and told him to clean up his act on the environment. And Inglis became a member of the House Subcommittee on Energy and Environment, where he accessed extensive data and traveled to Antarctica. He’s now seeking a “conservative solution to energy and the environment.”

Panelist **Sally Bingham**, an Episcopal priest and president of Interfaith Power and Light, framed climate change in moral terms. “If you love your neighbor, you don’t pollute your neighbor’s air and water,” she said.

Hearing different perspectives illuminates ways to better communicate facts about climate change, Hoffman concluded. “You have to understand your audience and frame it in a way they will understand.” ✕

Tim Mayleben, BBA '84, Funds Program for Student Entrepreneurs

Underscoring its mission to create courses and programs that help students develop entrepreneurial skills, the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies recently launched the Mayleben Family Venture Shaping Program. Aastrom Biosciences CEO/President **Tim Mayleben, BBA '84**, and his wife, **Dawn Mayleben**, established the grant program to help students gain the practical skills and experience to shape identified opportunities into successful ventures.

"We're excited to be a bigger part of the Zell Lurie Institute, Michigan Ross, and the University," says Mayleben. "Dawn and I firmly believe in the power of action-based learning and entrepreneurial education. We're confident the Venture Shaping Program will provide the framework and resources needed to turn some of the world's most promising business visions into reality."

The program focuses on the earliest stages of business formation, says **Tim Faley**, managing director of the Zell Lurie Institute. "Product designers often follow a design-build-test model, but a business is too expensive to build before testing," he notes. "For this reason, the institute encourages and teaches students to follow a design-test-build model that will set them up for success or encourage them to move on if the idea is not a realistic business."

Student entrepreneurs will engage in an iterative process, including directed discovery, value system synthesis, and profiting from capabilities (PFC) framework evaluation. The goal is to emerge with a clear description of a commercially viable business that responds to a validated market need. Judges will determine whether teams earn cash prizes to invest in further business development. ✕

Zell Lurie Co-Founder Funds Entrepreneurial Law Program



Dean Alison Davis-Blake and Sam Zell, AB '63/JD '66/HLLD '05.

Michigan Ross benefactor **Sam Zell, AB '63/JD '66/HLLD '05**, whose name adorns the school's Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies, recently gave \$5 million to the University of Michigan Law School to establish the Zell Entrepreneurship and Law Program (ZEAL).

The program offers free legal advice to student entrepreneurs, while training law students to serve both start-up and existing businesses better. ZEAL will deploy student-attorneys, supervised by faculty members, to help navigate trademark, finance, patent, regulatory, and other issues related to establishing a new venture.

"We know the Law School is going to be a great partner," says **Tim Faley**, managing director of the Zell Lurie Institute.

ZEAL is the latest in a series of University initiatives geared toward new business development, including student-run programs like the Michigan Ross Wolverine Venture Fund; the new Master of Entrepreneurship Program created by Michigan Ross and the College of Engineering; the Michigan Venture Center; the College of Engineering's Center for Entrepreneurship; and a variety of competitions and grant programs that encourage student startups. Overall, more than 5,000 students across campus participated in an entrepreneurial activity last year.

"The University has created an entrepreneurial ecosystem across this campus that is exciting and distinctive," says U-M President **Mary Sue Coleman**. "Whether in classes, business plan competitions, or incubators, students have an opportunity to bring a good business idea to life. ZEAL adds an important new dimension to support student innovation." ✕



DID SOMEONE SAY, "BUFFETT RULE?"

Evening MBA student **Amit Kulkarni, MBA '12**, squares off with billionaire **Warren Buffett** during the Entrepreneur and Venture Club's visit to the Oracle of Omaha's Berkshire Hathaway headquarters. "He's surprisingly strong," Kulkarni says. ✕

One Man's Seatbelt is Another's Sustainable Sandal

Michigan Ross students may have turned junkyard trash into sustainable employment for homeless people in Detroit, thanks to the unique Integrated Product Development (IPD) course, delivered by the Tauber Institute for Global Operations.

For 20 years, the action-based IPD course has challenged student teams representing business, engineering, and art and design to conceive, manufacture, and market an original product. Students collaborate across disciplines and expand their skill sets in new and unexpected ways. This year they were asked to create not only a product, but also a plan for an eco-friendly minibusiness that could be adopted by the Detroit nonprofit Cass Community Social Services (CCSS).

"It's a triple win," says the Rev. **Faith Fowler**, CCSS executive director. "We have these smart young people working to make a difference in the community and on the planet by using recycled materials. And we have people in Detroit who really want to work and just need that opportunity."

CCSS is planning to turn the IPD student business Treads



Students on the Treads Motor City Sandals team are turning recycled materials into job opportunities for Detroit's homeless.

Motor City Sandals into a venture that could employ some of its clients. Students produced the sandals using old seatbelts and abandoned tires. In addition, CCSS is launching the IPD student business Glass Avenue Hope Garden, which turns discarded wood pallets and recycled glass into tabletop gardens. ✕

Taking the Checkered Flag for Teamwork



Tauber Institute students took teamwork to victory lane in the Stock Car Pit Crew Challenge.

The best racing teams need more than a fast engine and skilled pit crew to win a race. Teamwork is essential in order to earn the checkered flag.

Business and engineering students in the Tauber Institute for Global Operations got that message loud and clear this January during the seventh-annual Stock Car

Pit Crew Challenge. It's just one of several unique teambuilding exercises the institute organizes to prepare students for action-based consulting projects at firms like the Boeing Co., Cisco Systems Inc., and Ford Motor Co.

Racing to remove, rotate, and reattach 75-pound front and rear tires in the Stock Car Pit Crew Challenge helps students understand the need for shared vision, effective strategy, and clear understanding of roles and responsibilities.

"This is the only college group we do this challenge with, and we find the students are more enthusiastic and serious about winning than our corporate clients," says **Bill Eversole**, former NASCAR driver and member of the Stock Car Pit Crew Challenge team.

That enthusiasm and drive resonate throughout the summer as Tauber Institute student teams spend 14 weeks inside firms, resolving actual operations challenges and saving millions for participating sponsors. Projected savings over a three-year period totaled \$601 million in 2011, or an average of \$18 million per project sponsor. ✕

SHIFTING THE CONVERSATION ABOUT DETROIT

"When you consider Detroit, there is no better laboratory in this country right now for seeing how government, civil society, and the private sector can work together to create economic revitalization," says Dean **Alison Davis-Blake** of the undeniable momentum around SHIFT: Detroit, presented in January by the Revitalization and Business Initiative at Michigan Ross.

More than 350 participants attended the second-annual event. Its goal is to enlighten University of Michigan students about ways they can contribute to and benefit from the "vital asset that is Detroit," says R&B Initiative Co-president **Grant Hughes, MBA/MS '13**. For two days, the student-run organization hosted local entrepreneurs, real estate developers, business leaders, artists, and social entrepreneurs who shared ideas and success stories about the city's emerging renaissance.

Presentations by Quicken Loans CEO **Dan Gilbert**, Compuware CEO **Bob Paul**, and Team Detroit Chief Creative Officer **Toby Barlow** followed a common theme: There is no better time for ambitious, energetic young leaders to take part in Detroit's economic renewal.

The message clearly resonated with Michigan Ross students. "The conference completely changed my view of Detroit," says **Tiffany Banken, MBA '12**. ✕

Faculty Appointments, Accolades, and Awards



ANDY HOFFMAN recently was appointed director of the Frederick A. and Barbara M. Erb Institute for Global Sustainable Enterprise. He is the Holcim (U.S.) Professor of Global Sustainable Enterprise, professor of management and organizations, and professor of natural resources. Hoffman's book *Builder's Apprentice* (Huron River Press, 2010) was one of three finalists for the 2011 Connecticut Book Award in the memoir/biography category. In addition, his paper "The BP Oil Spill as a Cultural Anomaly? Institutional Context, Conflict, and Change" was the "Breaking the Frame" award winner for papers published in the *Journal of Management Inquiry* in 2011.



TOM KINNEAR received the University of Michigan's Ted Doan Award for Outstanding Leadership in Entrepreneurship and Innovation. Kinnear was recognized for his energy, vision, and passion for new ideas and inventions. U-M President **Mary Sue Coleman** credited him with having "enhanced the quality of life of the entire state of Michigan." In fiscal year 2011, the University completed a record 101 technology licenses and launched 11 companies. Kinnear is the Eugene Applebaum Professor of Entrepreneurial Studies, professor of marketing, and director of the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies.



NORBERT SCHWARZ and **CAROLYN YOON** were recognized by *Choice*, the review journal of the American Library Association and the Association of College and Research Libraries, for their book, *The Aging Consumer: Perspectives from Psychology and Economics* (Routledge Academic, 2010). It was co-authored with **Aimee Drolet**. *The Aging Consumer* was named one of the "Ten Most Important Academic Books in Business, Management, and Labor" in 2011. Schwarz is the Charles Horton Cooley Collegiate Professor of Psychology and professor of marketing. Yoon is associate professor of marketing.



CATHERINE SHAKESPEARE became faculty director of the Master of Accounting (MAcc) Program Jan 1. In her role as associate professor of accounting, Shakespeare developed a capstone course that takes MAcc students to Washington, D.C., to experience firsthand the role of public policy in accounting decision-making.



DAVE ULRICH was named to Business Educators' "A-List of Management Academics 2011." This list, limited to only 30 professors, features the top echelon of educators from premier business schools nationwide. Ulrich is a best-selling author and consultant; he was recognized for exemplary career achievements, widespread recognition by peers, and passionate dedication to the field of human resource management. He is a professor of business administration and director of the Advanced Human Resource Executive Program in Michigan Ross Executive Education.



JIM WALSH was elected dean of fellows of the Academy of Management. The academy counts some 18,000 members from more than 100 countries. Fellows represent just one percent of the most elite scholars in the profession. Walsh will serve a three-year term as their dean. He is an Arthur F. Thurnau Professor, the Gerald and Esther Carey Professor of Business Administration, professor of management and organizations, and professor of strategy.



MARTIN ZIMMERMAN was elected to a three-year term as vice chairman of the National Bureau of Economic Research. The bureau counts more than 1,100 members and is the nation's leading nonprofit economic research organization. Twenty Nobel Prize winners in economics and 13 past chairs of the President's Council of Economic Advisers are among its researchers. Zimmerman is the Ford Motor Company Clinical Professor of Business Administration. ✖

>>> Students Cite Teaching Excellence

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

The Executive MBA Teaching Excellence Award went to **Hyun-Soo Ahn**, associate professor of operations and management science.

The MBA and Evening MBA Teaching Excellence Awards were presented to **Gautam Ahuja**, Harvey C. Fruehauf Professor of Business Administration, professor of strategy, and chair of strategy.

James DeSimpelare, lecturer of accounting, was presented with the MAcc Teaching Excellence Award.

The inaugural Weekend MBA Teaching Excellence Award went to **Aneel Karnani**, associate professor of strategy.

Puneet Manchanda, Isadore and Leon Winkelman Professor of Marketing and chair of marketing, received the Global MBA Teaching Excellence Award.

The PhD Teaching Excellence award was given to **Uday Rajan**, associate professor of finance.

The BBA Teaching Excellence Award went to **Ned Smith**, assistant professor of strategy. ✖

“We tend to marry ourselves.”



SCOTT RICK, Arnold M. & Linda T. Jacob Assistant Professor of Marketing, noting people satisfied with their own attitudes

on financial management usually find a spouse who shares their values.

—*The Baltimore Sun*, Feb. 14, 2012

...

“Jaguar’s new ads lack discipline in messaging and execution. They rely too much on words and not enough on visuals.”

CHRISTIE NORDHIELM, clinical associate professor of business administration, on a global ad campaign to convey the Jaguar brand is “alive.”

—*The New York Times*, Feb. 12, 2012

...

“Companies spend an enormous amount of money not just complying with the tax system, but planning how to make use of its complexities to their best advantage.”

JOEL SLEMRD, Paul W. McCracken Collegiate Professor of Business Economics and Public Policy, arguing that a simpler tax code would make good fiscal sense.

—NPR’s “Morning Edition,” March 9, 2012

“Wealth or power that comes with high socioeconomic status means you are indeed enabled to ignore others and might think rules that apply to them don’t apply to you.”

ERIK GORDON, clinical assistant professor of entrepreneurial studies, on a study that shows greed corrupts ethics.

—Bloomberg Television, Feb. 28, 2012

...

“In 2010 if I were a business owner, I was scared to death. In 2011 I wasn’t so scared. It’s time to get off the dime. I’ve been saving my money, and now’s the time to spend it.”

DAVID BROPHY, director of the Office for the Study of Private Equity Finance and associate professor of finance, on a growing M&A trend where cross-border deals, particularly in Michigan, are becoming more routine.

—*Crain’s Detroit Business*, Jan. 29, 2012

...

“Record-low mortgage rates and accommodative monetary policy are helping to support the housing market and reduce defaults relative to what would otherwise prevail.”

DENNIS CAPOZZA, Dykema Professor of Business Administration and professor of finance and real estate, on mortgage default risk dropping to its lowest level in seven years.

—upi.com, March 5, 2012

“The climate debate is in danger of devolving into a ‘logic schism.’ We’re no longer arguing about facts and what to do about them. It’s all about opposing worldviews.”

ANDY HOFFMAN, Holcim (U.S.) Professor of Sustainable Enterprise, professor of management and organizations, and director of the Erb Institute for Global Sustainable Enterprise, on the need to reframe the climate change debate.

—*San Francisco Chronicle*, Feb. 5, 2012

...

“Is Facebook worth \$100 billion? Careful analysis of the risks associated with its revenue streams almost certainly means the hype and recent growth rates cannot be sustained.”

PETER ADRIAENS, professor of entrepreneurial studies, on Facebook’s February IPO filing to raise \$5 billion.

—*Forbes*, Feb. 2, 2012

“Employees who experience vitality spark energy in themselves and others. Companies generate vitality by giving people the sense that what they can do on a daily basis makes a difference.”

GRETCHEN SPREITZER, professor of management and organizations, on creating a thriving workforce.

—*Vancouver Sun*, Jan. 20, 2012



“You have to have different rules, like ‘we will have women on the short list,’ but you also have to have a welcoming climate. You have to have women in positions of visibility. You have to overcome barriers that may be related to one’s personal life. You have to do all those things to really break through.”

ALISON DAVIS-BLAKE, Edward J. Frey Dean and Leon Festinger Collegiate Professor of Management, on clearing the way for women to ascend to senior management. —*Financial Times*, Jan. 30, 2012

Negotiating for Positive Results

Experts offer tips to step away from that table and build swift trust



Negotiation. The word evokes images of adversaries at a table scheming to outwit one another. Delete those images, say management and organizations professors **Shirl Kopelman** and **Jeffrey Sanchez-Burks**. Their research illuminates several techniques that can lead to victory *and* sustainable relationships. Kopelman and Sanchez-Burks share those methods in the Michigan Ross Executive Education program “Negotiating for Positive Results.” These experts reveal an array of human biases and shatter popular myths along the way. Oh, and that negotiating table? Don’t expect to find one.

DIVIDEND: What should you think about before you start negotiating?

SANCHEZ-BURKS: The key is to set a personal intention and understand your core goal. We help people clarify that intention, then guide them on how to deploy the appropriate skills, tools, and relational approach.

KOPELMAN: The fact that you are in a negotiation inherently means that together you may be able to do better than each of you could on your own. So start with the mindset of how you can make the most of this opportunity.

DIVIDEND: What’s the best way to approach the negotiation itself?

KOPELMAN: A challenging part of this process is to maintain a cooperative and competitive approach. Most people prefer cooperation or competition. In negotiations, joint problem solving and creativity generates value, but this value is up for grabs. Most business people are motivated to maximize, rather than equally split, value. Our approach enables people to be effective at both value-creation and value-claiming.

SANCHEZ-BURKS: Most people don’t think of negotiation as a creative problem-solving task. But when you run into a dead-lock or think there’s no way you’re going to reach a deal, this is precisely when you need to think of it as an innovation problem.

DIVIDEND: Should we suppress emotions when negotiating?

KOPELMAN: When people say you should leave emotions outside, they usually mean negative emotions. But what about positive ones? Would you suppress those, as well? It’s important to think strategically about emotions. Effective negotiators understand how to monitor their emotions, gather rich information from subtle emotional cues, and express the right emotion at the right time.


SANCHEZ-BURKS: Sometimes you need to be negative, like when you want to convey the issue is serious and will require mutual concessions. In certain cultures, if you attempt to come across as unemotional, the other party may think you don’t care enough to warrant their attention.

DIVIDEND: As companies engage in more global interactions, what do we need to keep in mind?

SANCHEZ-BURKS: No business situation or negotiation strategy is culture-neutral. Simply learning the common cultural tendencies where your negotiation partner comes from is not enough. People don’t always behave with outsiders the same as they do with insiders. In essence, when in Rome, do as the Romans do — with outsiders.

KOPELMAN: Indeed, people are aware that you are traveling from outside of Rome. If you are Canadian, they expect you to be Canadian. If you violate that expectation, they may not know how to interpret your behavior. That said, make sure you know about and are sensitive to local customs and taboos.

› Shirl Kopelman is a clinical assistant professor of management and organizations; Jeffrey Sanchez-Burks is an associate professor of management and organizations.

 Watch a video interview at www.bus.umich.edu/video/negotiating.

SANCHEZ-BURKS: Getting the deal you and the other side can brag about and actually implement over the long term requires a strategic approach that is emotionally and culturally savvy. This is the focus of our new program. ✨ —Terry Kosdrosky

5 Negotiating No-Nos

- 1 Assuming there’s always a negotiating table.** We seek agreements and resolve conflicts in an array of settings.
- 2 Believing that making the first offer puts you at a disadvantage.** Ample evidence shatters this persistent misconception.
- 3 Thinking you have to remain emotion-free.** Displaying the right emotion at the right time can make all the difference.
- 4 Viewing negotiation as a competition.** Virtually all deals of any substance entail both competitive and cooperative components.
- 5 Overcompensating for cultural differences.** Success follows those who are attuned to subtle cultural cues. But remain alert to when the other side is adjusting to your culture; otherwise your bow will be met with an awkward handshake.

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Turning Social Networks into Social Dollars

Professor Puneet Manchanda Finds Real Fortune in Virtual Connections

Americans now spend more of their online time engaged in virtual networks than any other activity. So it should come as no surprise that companies are fast adapting marketing strategies to leverage social media's influence on consumers. Between a quarter and a half of the top 100 global brands host their own branded social networks today.

New research from Michigan Ross marketing professor **Puneet Manchanda** suggests these companies are onto something. Retailers appear to reap better returns when they invest in and manage their own online branded communities, as opposed to using a third-party site like Facebook, he says. His paper "Social Dollars: The Economic Impact of Consumer Participation in a Firm-Sponsored Online

Community" is one of the first studies to examine empirical evidence of social network outcomes.

Manchanda and Michigan Ross PhD candidates **Grant Packard** and **Adithya Pattabhiramaiah** analyzed

data from an unnamed retailer of books, CDs, and DVDs. They discovered a 19-percent bump in incremental revenue — or "social dollars" — generated by customers after they joined the retailer's online community.

"Most research on the effectiveness of social networks is based on self-reported data," says Manchanda, the Isadore and Leon Winkelman Professor of Marketing and chair

of marketing. “There’s little evidence people change their behavior once they join an online community in terms of actual outcomes. So we wanted to see if we could find these social dollars, and our research confirmed their existence. We stress-tested the findings in multiple ways because the results surprised us at first.”

One surprise? The researchers discovered this spending persists over time, well after the novelty of joining the network wears off. In addition, the activity doesn’t cannibalize sales between channels. The retailer in this study sells products both online and in stores. Network members spent more in both. The spending increase came via more frequent purchases, rather than bigger receipts.

But the monetary reward is just one benefit of a hosted online community. Using its own branded social network improved the retailer’s ability to engage customers and target promotions.

CASHING IN The researchers obtained data on customer activity 15 months before the retailer established the branded online network and 15 months after. They then were able to form control groups and examine before-and-after results.

In the virtual community the researchers analyzed, members can recommend products, share reviews, create favorites lists, and socialize with each other. A deeper dive into the data revealed network members with more online friend connections delivered the most value.

“People who occupy an important place in the network — i.e., those who are connected to other people who are well connected — spend more,” Manchanda says.

The researchers illuminated other indirect benefits to the retailer in terms of information that members volunteer. A robust online network delivers preferences and valuable statistics on customers’ pre-purchase and post-purchase activity. A company can identify trending products and topics of conversation to optimize product and marketing-mix decisions, a boon for customer relationship management and other life cycle-based strategies.

The firm-sponsored network creates a two-way street that can benefit both customer and company, Manchanda says.

“For the engaged customer, the fact that they join the community suggests this is of value to them,” he says. “For the firm, it offers the ability to learn a lot about their most engaged customers.”

JUST THE BEGINNING Manchanda and his co-authors now are looking to learn even more. They hope future

research will determine exactly where the social dollars come from. Is the customer spending more overall on the product category, or is the company that sponsors the online community scoring a bigger share of the customer’s wallet at the expense of competitors?

And what drives the correlation between highly connected members and higher spending? Are they spending more because they are connected? Or are the customers who are likely to spend more also likely to create more connections?

“We could hypothesize, but we don’t have an answer with this data,” Manchanda says. “Those are avenues for future research.”

The researchers’ results do point to one answer Manchanda feels is particularly significant. A company’s own online community is a more effective engagement tool than a third-party site such as Facebook.

While creating a Facebook community costs the company nothing, it’s not clear what it gets in return. Facebook counted more than 845 million registered users as of February, but the number of people who ultimately “like” a particular brand is a mere fraction of that. Facebook also provides limited data on what people do in the community to connect.

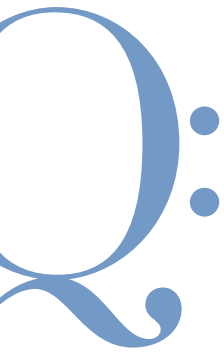
“With Facebook, the audience is huge and the cost is low, but it’s not clear the engagement is high in terms of delivering positive outcomes,” Manchanda says. “It seems like you’re not getting much, at least from what we can tell through anecdotal evidence and existing studies.”

By contrast, the data he and the co-authors gathered and analyzed from the company-sponsored online community demonstrated clear advantages for the retailer, not the least of which was a quick return on investment. In this case, the break-even point for set-up costs occurred when 33,000 customers signed up. The company acquired 260,000 network members in the first 15 months.

“This was clearly a very profitable investment for the firm,” Manchanda says, “even though immediate profit wasn’t the original objective.” ✦ —Terry Kosdrosky



► New research by Michigan Ross marketing professor Puneet Manchanda shows companies gain better returns by hosting their own online communities.



What are you thinking about?

A: MANAGEMENT AT A DISTANCE

For a growing retail or service operation, deciding where to locate a new outlet is paramount. There's much to consider: the cost of real estate, traffic patterns, and the population of likely customers. One significant factor that's often overlooked is a store's distance from company headquarters. New research by **Francine Lafontaine**, the William Davidson Professor of Business Economics and Public Policy and chair of business economics, shows single-outlet businesses and small, expanding chains tend to fail when they locate outlets too far from the main office. This effect disappears, however, when chains reach a certain size. So until that happens, Lafontaine offers tools smaller firms can utilize to overcome this challenge.

WHAT ARE YOU THINKING ABOUT?

What helps or hinders the success of small retail and service shops. Research I'm doing with **Arturs Kalnins, PhD '98**, a colleague at Cornell University and a former student of mine, shows business establishments farthest away from their owner's base of operation will fail faster. When we look at revenue, which we can do for hotels, we see that if the owner's headquarters moves, revenue goes down at locations that are farther from the new headquarters. If a hotel is acquired by somebody who has a headquarters farther away than that of the previous owner, the revenue likewise decreases.

We accessed the sales tax database in Texas from 1990-2003 and saw the failure effect was prevalent for chains with 25 or fewer locations. It starts to diminish in the 25-50 range, and after 50, the effect goes away statistically. We don't have enough data to explain why, but we can speculate two likely reasons. One, the larger company can have a regional office, or some kind of local subheadquarters where somebody can look in on the distant stores. Second, larger firms can invest more in information technology to better manage faraway locations.

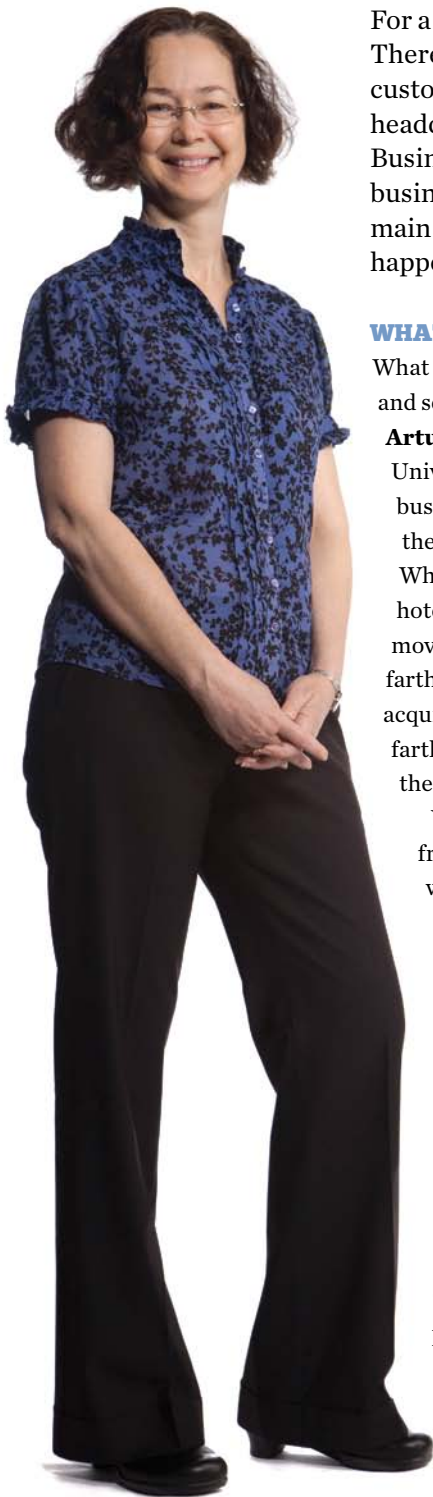
WHY IS THIS INTERESTING TO YOU?

I've always been fascinated by businesses that surround our daily routine. To me, the coffee shop around the corner or the little shoe store play important parts in

our lives as consumers. Sure, a big chunk of your income goes into buying a car, but much of it goes into your daily coffee over time. It's really important to me to understand what small business people do and what we can do to make their ventures more successful. This is a growing sector of our economy, and the kinds of jobs small businesses offer, though not the most glamorous or high-paying, train a lot of our workforce. If we can expose small business owners to ideas that will help them succeed, people may keep their jobs longer and churn will decrease.

WHAT ARE THE PRACTICAL IMPLICATIONS FOR INDUSTRY?

When a person starts a small business without being part of a big chain, there's a lot to think about. It's one person trying to figure out everything. Just informing them that locating a store far away from headquarters will create new management difficulties is something we can do to make their lives easier. But other constraints exist when it comes to location, and some tools can help them better manage a remote location. Franchising is one option used by many service and fast-food operations. The owner is the franchisee, and typically a local. Finding effective, low-cost IT systems also can help manage over larger distances, especially when franchising isn't realistic. But the biggest implication is to help make sure people go into these ventures with their eyes wide open and with greater understanding about issues they will face, so their chances of success are higher. ■



A: CORPORATE GOVERNANCE, LABOR, AND FINANCE

Employee stock-ownership programs, corporate governance, and labor law may not sound like core finance research subjects, but don't tell that to **E. Han Kim**. His experience teaching business, serving on corporate boards, and advising governments sparked his interest in human behavior and provoked new lines of study. "Corporate finance is managing money for the company," Kim says. "But what is a company? A company is where capital meets labor. Money is invested and managed by board members, CEOs, and top executives. But who does the real work? The employees, the labor. Studying finance while ignoring the people component can result in misleading conclusions." Kim is the Fred M. Taylor Professor of Business Administration and professor of finance and international business. He is the faculty director of the Global MBA Program and director of the Mitsui Life Financial Research Center and the East Asia Management Development Center.

WHAT ARE YOU THINKING ABOUT?

Employee stock-ownership plans. When workers own a piece of the firm, how does it change their behavior and productivity? I find, when properly designed, employee stock-ownership plans are very good for workers and shareholders. When you consider yourself an owner, it's not just about the money; your mindset changes. But if employees own too big of a share, say if there's majority employee ownership, that doesn't work well because it turns into employee socialism. What we're looking for is employee capitalism. If financiers take complete control of a firm, it becomes too finance oriented, and that can destroy value. The job of the people who govern a firm is to bring capital and labor together in the most productive way. An employee stock-ownership plan has to be designed properly for this to happen.

I'm also looking at how labor law affects restructuring decisions, and I'm working with a law professor on white-collar crime and corporate governance. In that, we focus on how well CEOs are connected with other top executives in their company and how that relates to fraud.

WHY IS THIS INTERESTING TO YOU?

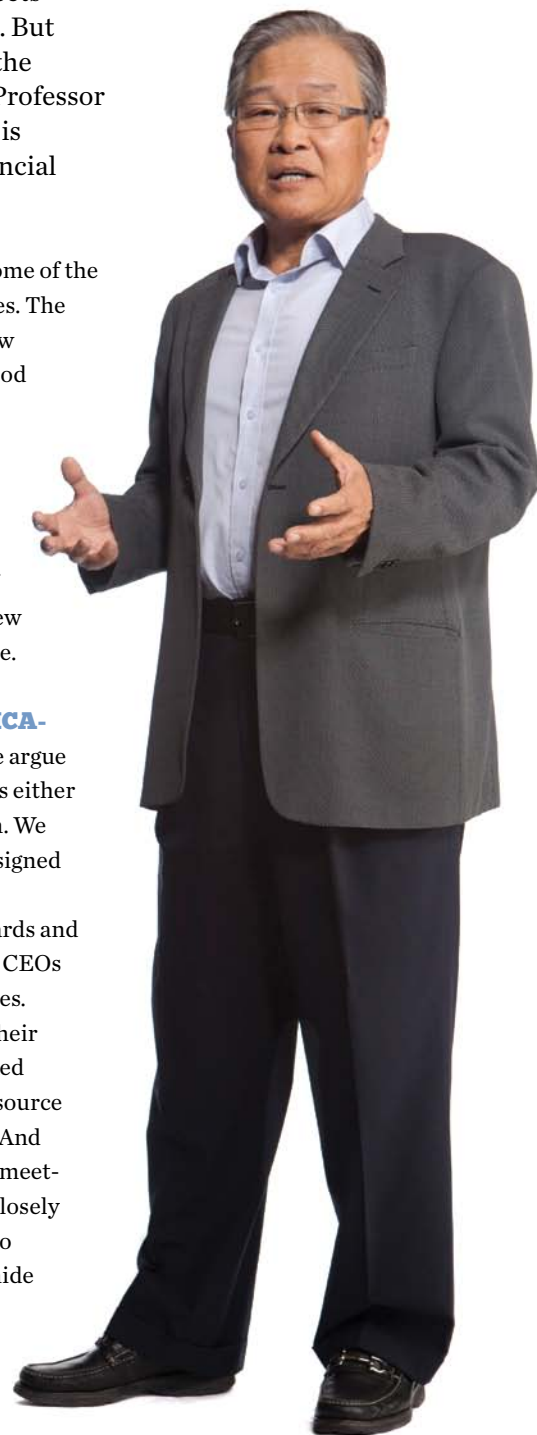
I got started on this line of thought when I advised the Korean government on corporate governance reform after its 1997 financial crisis. Many of my recommendations became law, so I was curious: Did they work? I didn't have time then to do a thorough analysis. That triggered my interest in corporate governance and finance. I also served

on a corporate board where workers of some of the company's suppliers protested their wages. The CEO of this company was very wise in how he handled the incident. He had a very good feeling for balance. That started my interest in labor and finance, and how to balance the two. In the twilight of my career, I want to convey some of these things I've learned, and the mechanism I choose is the publication of scholarly articles. I am trying to start a new area of finance research: labor and finance.

WHAT ARE THE PRACTICAL IMPLICATIONS FOR INDUSTRY?

Some people argue that employee stock-ownership programs either exploit workers or are a form of socialism. We show that everybody wins with a well-designed program.

We also have shown that corporate boards and regulators should be mindful of how well CEOs are connected within their executive suites. We find it's dangerous when CEOs stuff their executive suites with their own handpicked appointees. Management is the primary source of information for most board members. And boards only work part time, having a few meetings a year. Because of that, when CEOs closely connected to their top lieutenants want to commit fraud, they can manipulate and hide information. That's why we want checks and balances, and to have everything at arm's length. ■





Go Blue, Go Anywhere

DAVID MARTZ, MBA '99, AND JAY LURIE, BBA '02,
SCALE NEW HEIGHTS ON AN IFC PROJECT IN BHUTAN

{BY AMY SPOONER}



FOR JAY LURIE, BBA '02, TREKKING TO BHUTAN'S FAMOUS TAKTSANG MONASTERY WAS NOT THE STANDARD BUSINESS TRIP EXCURSION. But few things about Bhutan can be considered standard — especially doing business.

Lurie and **David Martz, MBA '99**, stand at a precipice of sorts in this remote and mystic kingdom. They are poised to modernize mass transit in two of Bhutan's major cities. That's a world away from the actual mountain precipice where Lurie once stood in the shadow of the nation's iconic monastery. He'd been embraced on his solo ascent by a group of elderly Buddhist pilgrims. Speaking in basic Hindi, they'd established common ground by way of Bollywood. At 10,200 feet, Lurie bid farewell to his newfound friends and turned to descend. But first the pilgrims bestowed a healthy dose of dharma that would serve him well on his groundbreaking urban adventure.

Lurie and Martz work for the International Finance Corporation (IFC). An arm of the World Bank, IFC is the largest global development institution focused on the private sector in developing countries. Its footprint in South Asia is extensive, especially in India. But the pair's current endeavor taps new ground. They are spearheading one of the few public-private partnerships (PPPs) in Bhutan — the constitutional monarchy that borders China to the north and India to the south. In 2008 Bhutan held its first national elections and drafted its first constitution. That same year, Martz brokered the first PPP advisory work for IFC.

"This is not India, which is planning to invest \$1 trillion in infrastructure over the next five years," says Lurie. "Nor does it have Bangladesh's strong microenterprise culture. Bhutan is small, with little history of foreign investment. So while the stakeholders are interested in progress, we have to take one step at a time."

INTO THIN AIR Lurie and Martz are structuring and tendering a PPP for an improved transport system in two urban centers. They are dealing directly with top royal government officials to structure the deal, and this spring presented their financing recommendations. The next step is to advise Bhutanese officials on a competitive tendering process for securing a private operator to design, finance, and manage the system. The project is slated to cost upwards of \$24 million and be operational by mid 2013.

That Lurie, then based in Delhi, and Martz, then based in Dhaka, Bangladesh, came to partner on a project in Bhutan can be traced in part to a chance encounter with a fellow Michigan Rosser. Lurie was attending a conference in the Bay Area, just prior to joining IFC's South Asia PPP transaction advisory team. During the event, he met **Eric Rosenthal, MBA '10**. Rosenthal knew Martz through the Michigan Ross network. He recognized Lurie and Martz would be working on the same team and connected them. As the only Wolverines and non-South Asians in the group, the

pair quickly bonded. And during a long run on one of Martz's trips to Delhi, he pitched the Bhutan concept to Lurie.

"I was intrigued by the prospect of working on a project in Bhutan, but I was skeptical because foreign investment and PPPs are so nascent in the country," Lurie says. "I decided to go in with an open mind but also be realistic that it might not happen."

Martz's prior experience in Bhutan, however, was cause for optimism. He'd previously co-led an IFC team that proposed a PPP to introduce private-sector participation in Drukair, Bhutan's national airline. The team initially received a guarded reception. Although the royal government has progressive views on development, it is cautious because previous potential investors have not delivered on promises.

"They appreciate organizations that share international best practices and want to be long-term partners," says Martz. "They want to do what's right for their people. So they first need to trust that you do, too."

For development finance institutions, that means keeping Gross National Happiness (GNH) top of mind in Bhutan. The royal government's famed policy says the social, spiritual, intellectual, cultural, and emotional needs of the Bhutanese people are as important as the country's material and economic gain. Officials view all development proposals through the GNH lens.

"They view their cultural heritage as part of their national identity and are determined to preserve it," Martz says.

To prove IFC's staying power and commitment, Martz spent considerable time building relationships with key officials. "Even when there were bumps, we stayed and worked with them to achieve desirable results," he says.

"It's largely Dave's efforts to build client trust at the beginning that paved the way for our current project," Lurie notes.

THE ACCIDENTAL PLANNER Martz hasn't just negotiated PPPs in the kingdom: As IFC's first country coordinator in Bhutan,

TOP ROW, LEFT: David Martz, MBA '99, and Jay Lurie, BBA '02, overlooking the bus terminal in the city of Thimphu; TOP ROW, RIGHT: Lurie at the Sunday market in Paro; MIDDLE ROW, CENTER: Martz talks with locals about the Thimphu bus terminal project; BOTTOM ROW, LEFT: Martz spins prayer wheels near Taksang Monastery.

he also launched its office in the capital city of Thimphu in 2010. Initially, the biggest challenges were logistics, he says, as simple travel arrangements were fraught with complexity. Once in country, Martz worked from Internet cafes using a prepaid phone card while establishing IFC's presence.

The adventure harked back to his Peace Corps days and internship with the William Davidson Institute's African Business Development Corps. As an undergrad, Martz envisioned a career "working on the economic frontier of international banking." Soon after obtaining his MBA, he landed a short-term consulting assignment at IFC headquarters in Washington, D.C., which proved to be his "in" to a professional career in international development.

"My background isn't orderly," he says, "but every step was meant to be."

After another D.C.-based assignment, Martz and his wife, **Robin Martz, MPH/MSW '03**, moved to Bangladesh in 2007. David wanted additional field experience, and soon he was advising government clients on PPP infrastructure projects for IFC. After two years in Bangladesh, he assumed the head role in Bhutan. But three days after the family's arrival, Robin was offered a foreign service officer position stateside with USAID. They eventually relocated to Phnom Penh, Cambodia, where David now advises on PPPs for IFC's South Asia and East Asia Pacific regions — including an airport project in Vanuatu and toll road development in India.

But Bhutan never left his radar.

Once the airline project wrapped, the royal government turned its attention to modernizing urban transport. As the Bhutanese enjoy increased access to financing and higher personal incomes, more are purchasing cars — at a rate of some 5,000 annually in Thimphu,

a city of about 110,000. The resulting congestion and pollution take direct aim at GNH, so officials asked IFC to explore a role for the private sector in creating a viable mass transit system.

The request melded well with IFC's mission to support projects that either mitigate or adapt to climate change effects. And as Martz staffed the team, he reached out to his fellow Michigan Ross alum. Lurie was a logical choice since he was shifting his focus to new markets. "I love the idea of introducing developed-market concepts to places that need it most," Lurie says.

A PASSAGE TO INDIA Lurie's career began far from Martz's "economic frontier," in the concrete jungle of Wall Street. He worked in capital markets and structuring roles at UBS and Credit Suisse before earning a master's in economics and international development. He then returned to the financial district, focusing on infrastructure finance at Macquarie Capital. When the opportunity arose at Macquarie to work on a new infrastructure fund in India, Lurie went for it — a bold move for someone who had never even been there.

"It was a chance to work in an emerging market," Lurie says. "I was comforted by the depth of India's financial system and the magnitude of demand for infrastructure investment."

He later joined IFC as an associate investment officer in the PPP transaction advisory team, facing a competitive field in an exploding market.

"There's a lot of capital in India, with many consultants and bankers offering their services to infrastructure projects," he says. "IFC brings value to projects where long-term money may not naturally flow."

One focus for IFC has been to scope out deals in Indian states with lower development indicators, and to look at other South Asian countries like Bhutan.

"I didn't know anything about Bhutan," Lurie says. "You have to visit to really understand how things are done and what the needs are."

He quickly saw potential, and his initial skepticism was tempered by commitments from the highest levels of the royal government. Officials provided open access and championed the project.

"We're fortunate to work directly with top decision-makers and strong advocates who can influence policy," he says.

DON'T WORRY, BE HAPPY As Lurie and Martz progress on their current deal, discussions are underway for future endeavors that could profoundly impact urban transportation and improve flow of trade.

But first things first.

"To look forward, we have to execute on this project," says Martz. "We have to show that private investment can lead to positive outcomes."

Of course, the pivotal indicator is Gross National Happiness, a concept that could be tenuous amidst Bhutan's burgeoning growth. While herds of yaks still roam the countryside against a backdrop of stunning beauty, five-star hotels, mobile phones, and Internet cafes dot the urban landscape. Martz is confident that foreign investment will keep pace with the royal government's policies.

"I believe they will always stay true to GNH principles," he says. "Bhutan is a beautiful place, but it's also a living culture. That continues to draw me there." ✦

WHERE IN THE WORLD IS BHUTAN?



CAPITAL: Thimphu
OFFICIAL LANGUAGE: Dzongkha
TOTAL AREA: 14,824 sq. mi.
POPULATION: 708,265
CURRENCY: Ngultrum
MAIN INDUSTRY: agriculture, forestry, tourism, and the sale of hydroelectric power to India

NATIONAL FLAG:





WRITING HER OWN PLAYBOOK

Bess Barnes, BBA '02, Scores a Career Win at ESPN

BY AMY SPOONER // PHOTO BY JOE FARAONI, ESPN



AS A TORNADO BORE DOWN ON THE 2011 COLLEGE WORLD SERIES, SPECTATORS GOT UNDER COVER. AT-HOME VIEWERS GOT THEIR REMOTES. AND BESS BARNES, BBA '02, GOT TO WORK. AS ESPN'S PROGRAM MANAGER FOR COLLEGE SPORTS, SHE SCRAMBLED TO FILL THE DEAD AIR TIME AND REVAMP THE TOURNAMENT SCHEDULE PER MOTHER NATURE'S DEMANDS.

"When something goes wrong," Barnes says, "my job kicks in."

A onetime college athlete herself, Barnes joined ESPN as a remote production assistant covering everything from sumo wrestling to the X Games. Today, she is director of programming and acquisitions, where she oversees ESPN's relationship with the NCAA for 24 championships. She also negotiates all non-BCS conference contracts. In December the NCAA inked a 14-year, \$500 million deal with ESPN, the biggest acquisition of Barnes' career. "To be part of that was incredible," she says.

Honoring those contracts is like solving a puzzle. "There are only so many hours in a day, and a number of contracts to fulfill. We determine the best home for everything, given our bounty of properties."

Those properties include ESPN, ESPN2, ESPNU, and broadband platform ESPN3. But telling athletic conferences that their marquee matchup will air on ESPNU, when they're demanding a prime-time slot on ESPN, can be challenging. Last fall's NBA

lockout is just one complication this season — the network must accommodate games on a truncated schedule, which bumps other events.

TEAM PLAYER Amidst such turf battles, good relationships are essential. "I always approach negotiations with conference commissioners by listening first," Barnes says. "What makes them happy? What doesn't?" Sometimes she can't deliver what they want, but that's when her knack for strategy kicks in. Barnes pitches the reach of ESPN3, which simultaneously streams numerous games live. As ESPN faces competition from regional channels like Big Ten Network or the Fox Sports franchise, the promise of such reach can seal the deal. "Tapping an unlimited audience online can be more valuable than distribution to a few million homes in a conference footprint."

Affiliation with powerhouse events on ESPN is another creative option. "Maybe we can offer a package that includes their

conference title game on ESPN or ESPN2 as part of Championship Week. Airing next to an ACC game is huge for a smaller conference,” Barnes says. At the end of the day, she wants the conference to embrace the arrangement, not feel pressured into signing.

“No deal is forever,” she says. “In a few years I’ll be on the other side of the table, trying to convince them to stay with ESPN.”

While strong relationships drive Barnes’ success, establishing ties wasn’t easy. She made the leap to college sports as program manager for ESPNU in 2006, and faced a tight-knit, male-dominated industry.

“Learning who was who and getting them to call me back was a huge challenge,” she admits.

Many key contacts had been in the industry for decades and were used to dealing directly with ESPN’s higher-ups. They assumed Barnes was someone’s assistant. While women are gaining prominence in sports, she acknowledges it took time to gain acceptance. But it was more than a gender barrier. “I’ve worked extra hard because I wasn’t a huge sports fan,” she says. “I didn’t know much of the history. With all the sports ESPN covers, it’s difficult to be an expert on everything.”

S**TRAIGHT SHOOTER** At Michigan, Barnes’ expertise was golf. She captained the team and placed 13th at the NCAA Championship, despite learning to play just two years before arriving in Ann Arbor. Life on the links was natural for the social butterfly with a competitive streak. “I liked spending hours on the course talking to people. And I liked that no one controlled how I did except me.”

During her sophomore year, an aptitude test suggested a career in television. Barnes began working at U-M’s student station, where she found her niche behind the camera. She also decided to pursue a BBA, figuring it would prepare her for wherever she landed. “I didn’t want to become a professional golfer, so I had to position myself for the future.” That included hanging up the clubs for a summer internship at ESPN, which ultimately led to a full-time offer after graduation.

Barnes took the deal, moved to ESPN’s Bristol, Conn., headquarters, and never looked back. “I was barely making annually what some of my friends were making in bonuses,” she says. “But I loved what I was doing.”

Eventually, she traded production for programming, working with professional sports like golf and soccer. A turning point

came when the program manager at ESPNU, the network devoted to college sports, left and encouraged her to apply for the open slot.

“Sometimes you need someone to say, ‘You’re ready for this,’” Barnes says. “I had just been promoted to strategic program planner. But I liked the idea of working in something completely new with a team that’s the best in the business.”

G**AME-CHANGER** At the time, ESPNU was ESPN’s startup. It was barely a year old and seen in just five million homes. The network didn’t have rights for major conference sports, so Barnes had many spots to fill. “I did deals for college rodeo, college bass fishing — anything with ‘college’ in it,” she says. She liked employing a different strategy than her previous programming roles. “Programming at ESPN or ESPN2 is about growing ratings. At ESPNU, it was about growing distribution by scheduling events that would make people want the network.”

Her time at ESPNU also nurtured Barnes’ innovative spirit. Through ESPN Dimensions, a seminar for up-and-coming leaders, her team created a business model for a digital platform. She was so passionate about it that she pitched the plan to a colleague on the digital distribution team. Coincidentally, something similar was in development, and Barnes talked her way onto the committee. As the lowest-ranking member, she played an integral role as the chief researcher.

“I did the dirty work,” she says.

The platform became WatchESPN, enabling fans to access all ESPN coverage on iPhones, computers, and the like. Barnes still attends meetings and updates her department about the product. “Being involved with WatchESPN from its inception is one of my proudest accomplishments,” she says. It also solidified management’s belief in her abilities. “Doing things outside the scope of your daily responsibilities gives you more experience and exposure,” Barnes notes.

Today, Barnes is just where she wants to be. “Once I understood programming,” she says, “I realized it was the perfect intersection of my education and experience.”

She loves working in an environment where “everyone is a fan,” the hottest matchups blare from ever-present TVs, and athletes mingle in the cafeteria.

The perks, meanwhile, can’t be beat.

“I’m still young enough to appreciate a good seat at a major event.” ✪



“Being involved with WatchESPN from its inception is one of my proudest accomplishments. Doing things outside the scope of your daily responsibilities gives you more experience and exposure.”

From **FIGHTER JETS** *to* FISCAL RESPONSIBILITY



Lance Pilch, MBA '06, Balances Military Might with Strategic Spending

by HELEN LEDGARD : photograph by GARY LANDSMAN

AS LIEUTENANT COLONEL **LANCE PILCH, MBA '06**, FIRST SAW THE UNITED ARAB EMIRATES FROM THE COCKPIT OF HIS F-22 RAPTOR JET, HE WAS RUNNING THROUGH CHECKLISTS AND EVALUATING CONTINGENCY PLANS.

“It was tense right up until we put our wheels down,” he says. “I was having trouble understanding the controller at the local airfield, and this was an unusual jet to say the least. If anything were to happen, we needed airtight contingencies for every moment.”

It was fall 2009, and Pilch was leading the first squad of F-22 Raptors to the Middle East. “There was a lot on the line,” he says. “A lot of adrenaline was going through me. Once I paused, I realized how much fun I was having flying that jet.”

The mission was a success. “Passing over the Atlantic on the way back, I got tears in my eyes as I saw U.S. soil come into view. We had done some things no one had ever done before. It was pretty incredible.”

Flight of the Raptor ...

That experience in the cockpit of the F-22 stays with Pilch every day in his current role as military assistant for air warfare

systems at the U.S. Department of Defense. He closely works with Congress and the secretary of defense to make spending decisions and assess the performance of aircraft and defense systems in development. In short, he is charged with striking a balance between moving national security forward and bringing costs down.

The F-22 represents a culmination of the military’s highest technological expertise and intelligence. At \$300 million per unit in 2009, it is one of the most advanced fighter jets in the world. It has unique stealth capabilities and can fly faster and higher than any other jet. When it debuted, it ushered in a new level of strategic positioning for national security.

“My experience with the F-22 is the reason I’m in this job,” Pilch says. “I understand the benefits and costs of immense military investment.” These days, cost-cutting is paramount. According to budget forecasts, the military must cut

\$487 billion over the next 10 years.

“The administration and Congress are looking to make sweeping cuts across the military,” Pilch says. “Everything we do — even down to fuel usage — is being looked at.”

Battle of the Budget ...

Pilch oversees testing and evaluation of nine aircraft and missile systems worth more than \$115 billion in capital assets. Each system has a team of action officers, military experts, and engineers who conduct thousands of computer simulations and live-event tests per evaluation program. Pilch interprets the results and provides recommendations to Congress and the secretary of defense about further investments.

“Testing is one of the most expensive things we do,” he says. “We’re increasingly using statistical modeling to predict with great precision the way a system will operate in the field. This is saving taxpayers a lot of money.”

Pilch also balances the military’s needs for maintaining research and development and leading technological advances. “I think

A WEEK IN THE LIFE

Monday 6 Feb

8:30 a.m.

Staff meeting. Review updates and activities re: systems testing.

10 a.m.

Buy coffee for coworker. I lost a friendly wager on the Super Bowl.

11:15 a.m. – 4 p.m.

Congressional briefings on the F-22, F-35, KC-46, and MQ-9. These programs will be contentious in the upcoming budget discussions.

5:55 p.m.

Arrive home. Great to see my wife and daughters.

7 p.m.

Swimming lessons. I'm a good athlete but a terrible swimmer.

Tuesday 7 Feb

7:30 a.m.

Review report on testing of new surface-to-air missile system. Testing is being halted on this system. We're providing recommendations if the program is resumed and accounting for how the money was spent.

9 a.m.

Lead meeting with engineers from Institute for Defense Analysis.

10 a.m. – 2 p.m.

Write report on new air missile defense system.

2 p.m.

Go to pool. Still bad at swimming.

4 p.m.

Teleconference. Look at methods aircrews can use in certain combat situations to increase their chances of survival.

8 p.m.

Write letter to Mom. She's on a Fulbright scholarship teaching political science in Mongolia. I am so proud of her; she is less than six months removed from a breast cancer diagnosis and a mastectomy.





Flying an F-22 Raptor gave Lance Pilch, MBA '06, a solid grounding in military investment strategy.

cyber, bio, and nanotechnology will offer incredible advances in the future,” he says.

More than 10 years of combat experience inform all these decisions. After graduating from the U.S. Air Force Academy with a bachelor’s in electrical engineering, Pilch was deployed for combat and civilian missions throughout the world.

He flew the F-16 fighter jet in Singapore, Malaysia, Kuwait, and Denmark. In 2003, after completing one of the Air Force’s most intense fighter jet training programs, Pilch was tapped to be one of the first pilots to fly the F-22 Raptor. From 2003-10, he served as a squadron commander, leading up to 300 military personnel and a fleet of 20 F-22s worth a total of \$4 billion.

“We worked through blazing heat, sand storms, massive flooding, and bitter cold,” he says. “I worked quite a bit with military leaders in other countries, including France, Jordan, and Pakistan. I’ll never forget those experiences.”

Business Unusual ...

While based in Florida as an instructor pilot, Pilch commuted monthly to Ann Arbor to complete his executive MBA at Michigan Ross. In 2011 he was promoted to colonel three years ahead of typical military scheduling and also completed a master’s degree in national resource strategy with the National Defense University.

His advanced business training helps Pilch navigate a world where an increasing number of entities — the public, Congress, military leaders, and the private sector — have a say in his work.

“Much of the innovation and cost efficiency is coming from the private sector,” he says. “We’re leveraging the fact that contractors can experiment, make adjustments more rapidly, and move faster than the government. My business background gives me the credibility and tools to work effectively with all our stakeholders. Without it, it would be easy to ask for the impossible or enter into agreements that are not workable for both sides. I now can see things from the perspective of our contractors and get better results.”

Pilch also embraces his newfound confidence to make tough calls. “Leadership can be lonely at times,” he says. “Whether you’re a military leader, CEO, plant manager, or doctor, when you’re under high pressure and scrutiny, there’s often no one to go to for help. My fellow EMBAs helped me see I’m not alone when making some of these decisions.

“It’s not always easy doing what you think is right,” he continues. “But you have to stick to your guns. At the end of the day, I have to do what’s right for the lives of those in combat and for our national security. It’s an honor to be bestowed with that responsibility.” ✦

Wednesday 8 Feb

7:30 a.m.

Check email. Great news. Two F-22 pilots who had worked for me were accepted into the Air Force’s test pilot school. Both may be on track to become astronauts.

8 a.m. – 4 p.m.

Write report on new air missile defense system. Send it to my boss at 4:19.

Thursday 9 Feb

8 a.m.

Meet with my boss, the director of operational test and evaluation. Discuss a missile system in testing. Whether this system gets further tested, delayed, or canceled will have huge implications for the military and the contractor.

11 a.m.

Plan visit to testing sites in Florida.

7 p.m.

Leave for Langley Air Force Base in Virginia.

Friday 10 Feb

8 a.m.

Meet with Air Combat Command about QF-16. This new drone is being developed to help test missile systems before they go into combat.

11:30 a.m.

Attend 94th Flight Squadron Change of Command Ceremony. As a former squad commander of this unit, it’s exhilarating and meaningful to see my successor pass the torch to a new pilot.

1 p.m.

Meet with Air Combat Command personnel. Discuss the performance of testing activities and learn survey results from the airmen and soldiers using them in the field.

3 p.m.

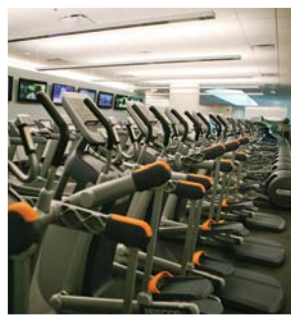
Good news. Receive details of a successful missile test in Florida. This means I’ll lead a team of engineers to analyze the test and determine next steps.

6:30 p.m.

Home for the weekend. I bring the family’s favorite pizza, and we all have dinner together — something I’ve rarely been able to do in previous assignments.



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FUELING THE FIGHT FOR ECONOMIC FREEDOM

*GOPAL SRINIVASAN, MBA '83, AND
RAGHU MENDU, MBA '81, DEPLOY
VENTURE CAPITAL TO SPARK INNOVATIVE
GROWTH COMPANIES IN INDIA*

India's robust economy and growing prosperity sometimes mask its deeper challenges. Persistent pockets of poverty and slow infrastructure development still plague this dynamic market, defined by both huge conglomerates and thriving microbusinesses.

Venture capitalists **Gopal Srinivasan, MBA '83**, and **Raghu Mendu, MBA '81**, have a strategy to fuel ongoing success: Fund and grow mid-size and early-stage companies that serve the country's needs. It's not a radical idea. It's not social investing. It's pure capitalism that, when done right, removes some of the obstacles thwarting India's progress.

By Terry Kosdrosky | Photos by Barani Babu, Hari Photo Studio + Max S. Gerber



GOPAL SRINIVASAN

TVS CAPITAL FUNDS

Srinivasan and Mendu each embraced venture capital later in their careers, sensing investment opportunities that others didn't. With consumption growing and India's efficient educational system pumping out millions of talented graduates, they recognized innovative growth companies are going to need help sooner rather than later.

Srinivasan is chairman and managing director of TVS Capital Funds Ltd. He identifies and funds companies that are discovering new ways to deliver services, consumer products, technology, agriculture, clean water, infrastructure development, and health-care. He is driven by more than the bottom line.

"The late [Michigan Ross professor] **C.K. Prahalad** said, 'India has gained independence, but have we gained freedom?'" Srinivasan says. "We owe our independence to the efforts of freedom fighters, the most iconic of whom was **Mahatma Gandhi**. I think in many ways the entrepreneur is the freedom fighter of today.

"There has to be a philosophy of what we do to make money," he continues. "It's the men and women all across India who went to college — the children of military and government workers, farmers and business workers, and the products of India's education system now starting businesses — who are the freedom fighters."

Ventureast's Mendu, who has worked for large corporations and founded entrepreneurial ventures, says that although private equity

and venture capital are gaining traction in India, few funds are willing to do what his firm does: invest in and actively manage early-stage and early-growth companies.

It's that expertise and commitment to organizational sustainability that sets Ventureast apart from the pack.

"We bring money and experience to help build a company that contributes back to society," Mendu says. "We're not a double-bottom-line social fund, as some funds claim to be. If our fund and our companies do things right, the social benefit will come."

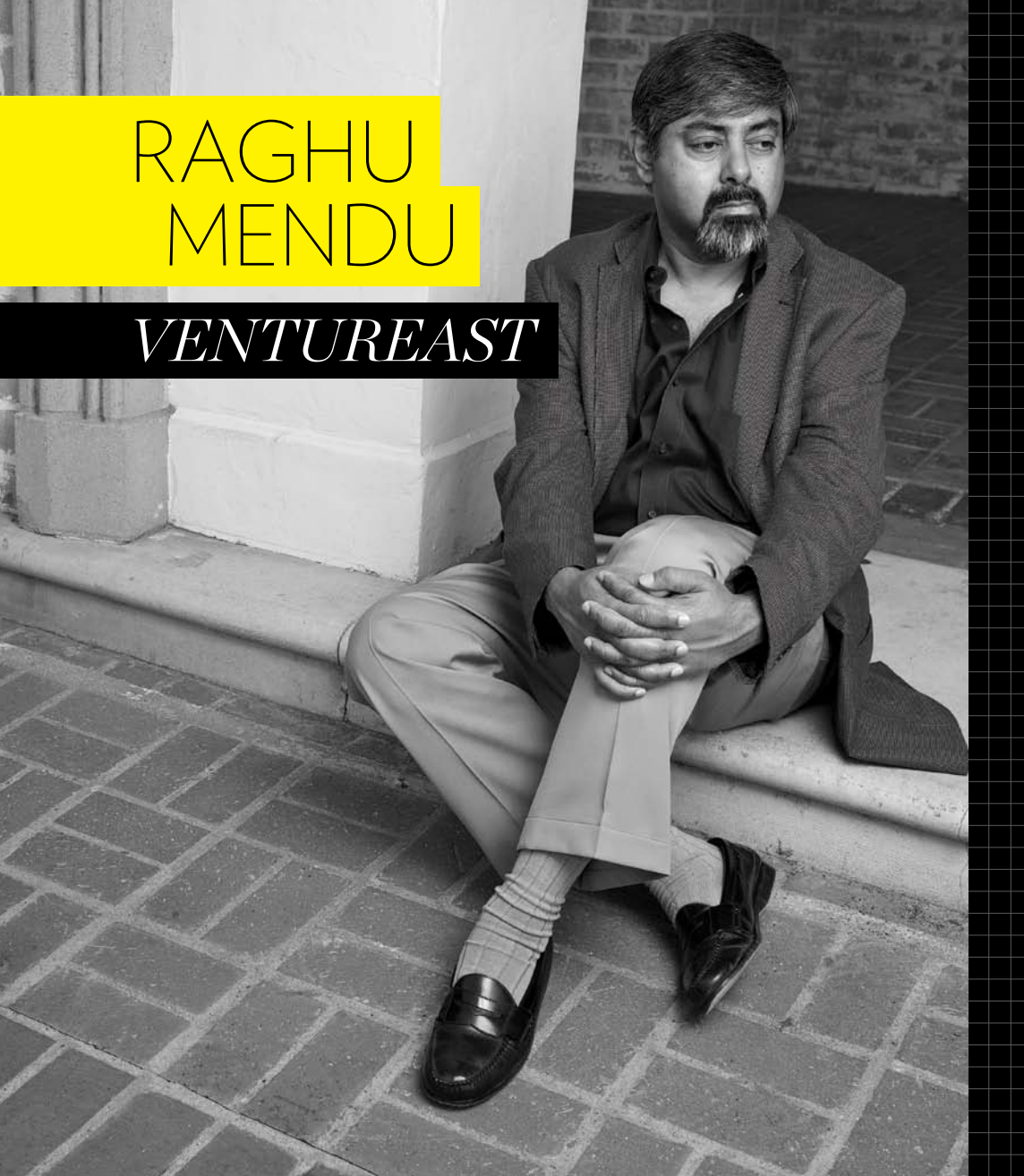
THE FAMILY MAN Srinivasan is a member of the family that founded and runs the TVS Group, a 100-year-old company with some \$6 billion in annual revenue. Srinivasan fed his entrepreneurial spirit at TVS, starting nine businesses for the parent company that range from computer peripherals to financial services.

Throughout his career, he kept a close association with Prahalad. One significant encounter with his longtime mentor caused Srinivasan to reevaluate his strategy.

"C.K. asked me, point blank, 'How are you using your strengths to build something larger than one business? What are you doing for India?'" Srinivasan says. "I had the ability to start and scale a business. So I thought if I could raise a fund, I could be very effective as a venture capitalist."

RAGHU MENDU

VENTUREAST



It wasn't an easy sell within the family firm, and Prahalad's support certainly helped. (He ultimately joined the TVS Capital Funds board.) Backing from financial services company Shriram Group, one of the largest users of private equity in India, drove the cause forward.

"Often that external endorsement is what you need to get the home office interested," Srinivasan says.

TVS Capital Funds launched in 2007 and has invested in restaurant chains, services, and healthcare. The first fund raised about \$120 million, and TVS Capital is raising a second fund of the same size.

Srinivasan says he is happy to be part of India's expanding venture capital and private equity scene. Fund managers and major bank executives are following his example, leaving established entities to form their own ventures in India. Still, he's anxious for the industry to grow faster for India's benefit. He estimates the nation saw about \$7 billion in private equity funding in 2010, not quite 0.5 percent of the GDP.

"You need three times that to really make a difference," Srinivasan says. "We think the emerging entrepreneur needs ability and capital,

which is why we call our brand of investment 'capability capital.' People like us have experience and capital. You now see entrepreneurs in both the 'emerged India' and the 'emerging India.' The latter was completely unknown 10 years ago, and we believe these unknown Indians will create our bright future. These are the people whom we support."

THE WILEY VETERAN Like Srinivasan, Mendu saw a chance to match his entrepreneurial know-how with funding to help fledgling companies grow.

Mendu had worked at large companies and managed new ventures for them, founded a few startups, and recognized opportunities in India. But instead of starting a company himself, he and his partners decided to invest in others.

Founded in 1995, Ventureast is one of the oldest venture capital firms in India.

"It was a very nascent industry at the time we started, which allowed us to bring all of our experience together and use it in a way that kept us intellectually challenged," Mendu says.

Ventureast manages about \$300 million in two funds. One is a broad-based technology fund, and the other

is a life fund for investing in healthcare, life sciences, biofuels, and agricultural products.

Mendu lives in Southern California and travels to India regularly. That perspective gives his team at Ventureast the ability to assess U.S. deals and modify them for India. The fund recently invested in an Indian parking services company that has grown into an industry leader.

"That's an investment I wouldn't do in the U.S.," Mendu says. "But parking is so unorganized in India that the business didn't really exist until recently."

Both Mendu and Srinivasan are inspired by a phenomenon Prahalad forecasted for India, which now is playing out thanks to an influx of private equity and venture capital. In his treatise "India at 75," Prahalad predicted innovation no longer will come from "the top of the pyramid down," or from rich countries to poor. He saw poor countries influencing the rich.

Mendu enjoys being part of that shift. "India is coming up with a lot of new business models companies can use globally," he says. "This country isn't just consuming anymore. It's innovating." ✘



Risky Business? (not so much)

Tim Hartch, MBA/JD '96, Avoids Risk and Reaps Returns
BY TERRY KOSDROSKY // PHOTOS BY SAMUEL STUART

Risk is an idea that investors and entrepreneurs are supposed to pursue, personify, and embrace. Without it, capitalism goes nowhere, right?

But risk means different things to different people. So how much risk is the right amount?

For **Tim Hartch, MBA/JD '96**, the answer is “a lot less than you might think.” This partner at New York’s Brown Brothers Harriman (BBH) has made a living — and lived a life — minimizing risk and proving that you don’t have to be a swashbuckling gambler to net success on Wall Street.

“I am risk-averse,” Hartch asserts. “When I think of risk, I’m thinking of permanent loss. In the BBH Core Select Fund, we try to avoid risk. In my private life, I’m the same way. I prefer quieter things. I play tennis and spend a lot of time with my family. I’m active in my local church. That’s about it.”

Hartch gladly bucks the stereotype of the thrill-seeking, type-A investor. He doesn’t care much if his life and investment philosophy sound boring.

RETURN TO ME You won't find shareholders of the fund Hartch co-manages, BBH Core Select, complaining about a lack of excitement. They're too busy adding up returns.

The fund has a three-year annualized return of 13.8 percent (net of fees) for the period ending Dec. 31, 2011. It also holds the highest (five-star) rating in the large-cap blend category of Morningstar, a leading resource for fund investing. According to Lipper, another nationally recognized data and research provider, BBH Core Select was 2009's "Best Fund over Three Years" out of 740 funds in its large-cap core category. It also was the "Best Fund over Three and Five Years" out of 725 funds in 2008. (Lipper rankings are based on investment results as of Dec. 31 for the respective years in which awards were given.)

Another accolade comes from *Kiplinger Personal Finance* magazine, which lists BBH Core Select among its 25 favorite funds.

"Our approach is different than the typical large-cap strategy," says Hartch. "We do concentrated, long-term ownership of 25 to 30 companies, and we have very specific criteria. The company should have a loyal customer base, provide an essential product or service, be resilient during economic downturns, and be a consistent cash generator. And we want to buy when it's undervalued. Now you see why we're concentrated. There aren't a lot of companies that fit those criteria, but they're out there. It's a different approach than the typical fund manager."

DECIDEDLY DIFFERENT Hartch quietly has followed his own path for some time. Enrolled at U-M's Law School, he wandered onto the business school campus simply because he could see it outside his Law Quad window. It wasn't long before he was enrolled there, as well.

"I enjoyed exploring different parts of the University," he says. "I slipped into a couple of business classes and really liked them. I hadn't thought about business school before, but I was intrigued by what I saw."

After a summer internship at Brown Brothers Harriman, Hartch found the atmosphere suited his personality and philosophy. When other big Wall Street firms went public, BBH remained private. It is the biggest private banking firm in the U.S. and remains client-focused.

It was different.

"I really liked the people and culture," Hartch says. "It's structurally different — a private partnership bank — and the focus has always been on aligning ourselves with our clients and serving them well."

STAYING THE COURSE Hartch started in the private equity and M&A advisory arm of the firm, which gave him "incredible training" in due diligence and seeing how private and public companies operated.

In 2000 he and BBH colleague **Richard Witmer Jr.** created a small-cap fund that Hartch still co-manages. When the tech bubble burst in 2000, and took the stock market down with it, BBH was in better shape than its peers.

"Our team avoided some of those excesses," he says.



In 2005 BBH asked Hartch and Witmer to assume leadership of the Core Select product and team. They manage about \$10 billion, with \$9 billion for separate client accounts and \$1 billion in a public mutual fund.

The fund has outperformed the S&P 500 index over time, and it all boils down to minimizing risk. Hartch aims to outperform in down markets and the subsequent upswing, even if it means sometimes underperforming in a frothy market.

"We would rather protect during times of large declines," Hartch says. "If you are down 40 percent, like a lot of large-cap funds were in 2008, it takes far more than 40 percent to come back to par. We were down 21.7 percent in 2008 and weren't happy about it, but we ranked in

the top one percent of funds in Morningstar's large-cap blend category." In the same category for 2011, which was another difficult year for equity investors, BBH Core Select ranked in the top five percent.

WHAT'S IN A NAME Hartch and his fellow fund managers invest in companies everyone knows — Walmart, Nestlé, Wells Fargo, and Baxter — and hold them long term. Those companies don't have a lot of secrets, and information on them isn't hard to come by. It's finding the right characteristics and combination that makes it work.

Just as important as determining the right investment strategy for the fund is having clients who understand and respect BBH's philosophy. BBH Core Select manages money for institutional and individual clients in separate accounts, whereas the public mutual fund has a wide range of investors.

"We want to have informed investors who appreciate our strategy, as opposed to investors who are interested just because we're generating returns," he says.

Still, even the most loyal clients sometimes wonder why the firm holds onto a stock so long without much growth. The results tend to speak for themselves over time.

"In 2007 the stock I was asked the most about was Walmart," Hartch says. "It had underperformed, and people were asking why we owned it. They said it hadn't gone up in years. That was true. Then in 2008, it was the only Dow Jones Industrial component that went up."

After the financial crash of 2008, the strategy Hartch and his team embrace began to resonate even more with investors.

"We've definitely had meaningful inflows to the public fund and more investors asking us to manage assets for them," he says. "People recognize that this is a sensible, proven way to manage assets in a world where risk appears to be real."

That the fund and the firm both match Hartch's quiet personality is icing on the cake.

"There are a lot of reasons financial services companies went public, but in our case, remaining private has been a huge advantage," he says. "We are a partnership, and we are owner-managed. I think that does influence how one manages risks and seeks to avoid them. It's a structure that makes sense to me on a number of levels." ❖

MAP: It's Not Just for Students Anymore

CHICAGO AND L.A. ALUMNI ENGAGE WITH THEIR COMMUNITIES USING MAP AS A MODEL

Most Michigan Ross MBAs say they'll never forget their Multidisciplinary Action Project (MAP). But the Chicago and Los Angeles alumni clubs prove it. Both are using MAP principles to improve their communities — through Chicago's Alumni MAP (A-MAP) and L.A.'s MAP-in-a-Day.

Since 2009 the Chicago club has partnered with the Taproot Foundation, a national organization that matches business professionals with nonprofits needing their expertise. It recently began its fourth Taproot collaboration, helping Ballet Chicago develop a brand strategy and marketing materials.

Because Taproot requires a multi-month commitment, alumni gain a rich experience, says **Hugh Jedwill, MBA '04**. He championed the club's Nonprofit Initiative (now A-MAP) from its inception. Since then, more than a dozen alumni have participated.

"People want to have a bigger impact than just racking up man-hours at different projects," Jedwill says. "This model lets us do the same deep dive we did for MAP and use our skills to better a nonprofit cause."

Alumni aren't the only ones rolling up their sleeves at Ballet Chicago. This spring the organization hosted its first Michigan Ross student MAP team. Alumni acted as mentors for the students and also gave them a Windy City welcome.

"Getting the student MAP team makes a statement about the leadership of Ross in our community," Jedwill says. "Additionally, students see the strength of our network, while alumni meet current students and reflect on the value of their own time on campus. It fosters deeper connections all around."

Meanwhile, the L.A. club developed a model to encourage members to volunteer despite their busy schedules. "Our alumni wanted to do something tactical and brief," says president **Andrew Beauchamp, MBA '00**. "I am so proud of how this team persevered to find a partner that could benefit from this vision."



The L.A. MAP-in-a-Day team celebrates its work with Schools on Wheels.

The L.A. team, led by **Ross Nordin, MBA '06**, **Erica Graham, MBA '09**, and **Karimah (Malcolm) Knowles, MBA '05**, ultimately signed on with Schools on Wheels, a tutoring service for homeless children. Over the course of a day, the team recommended how to improve the nonprofit's approach to donor solicitation and volunteer recruitment.

"It was classic Michigan teamwork in action," Knowles says. "We immediately figured out our specialties and divided into subteams to attack the problem."

MAP-in-a-Day also provided a new way for club members to engage with each other. "There's something significant about getting your hands dirty and working through business challenges that bonds a group together in a way social events don't," says Graham.

But Nordin stresses the end of the day wasn't the end of the story.

"We didn't want them to say, 'That's wonderful,' and be done," he says. "We want to know the results and will follow up to see the impact we made."

Based on the success of the first effort, the club is planning additional projects this year. And regardless of the approach, club MAP projects add value, says Chicago president **Yehuda Cohen, MBA '83**.

"Part of the Ross culture is to give back," he says. "Now we have a new way to use our collective talents to do so." ✦ —*Amy Spooner*

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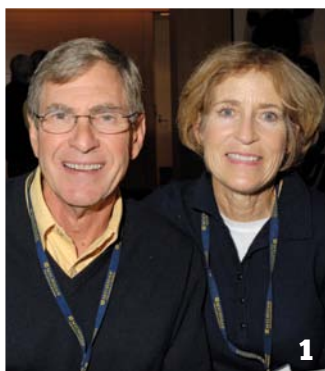


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★ **Ann Arbor**

1-6 Michigan Ross alumni and friends gathered in the Davidson Winter Garden Oct. 29 for the 2011 Reunion Tailgate. Participants enjoyed plenty of maize and blue camaraderie as they geared up for the Wolverines' win over Purdue.

★ **Beijing**

- 7 Alumni and friends celebrated the holiday season at a Dec. 17 party at the R&F Club.
- 8 Max Zhang, MBA '07, Kun Yang, MBA '07, Kai Hu, MBA '07, and Albert Jiang, MBA '07, enjoyed a mini class reunion.
- 9 Sean Liu, MBA '08, and Xin Shen, MBA '08, talked up Michigan Ross to a future admit.
- 10 New alums Suzanne Shi, MBA '11, and Stephen Li, MBA '11, connected with the Michigan Ross network.

>>> **Join the Michigan Ross Alumni-Student Mentor Network** Do you have an interest in mentoring Michigan Ross students? Join the Ross School of Business Alumni Group on LinkedIn and sign up for the subgroup titled "Alumni-Student Mentor Network." Enhance your own network as you share career advice, job search strategies, and other tips.



★ Buenos Aires

1 Alumni and current Michigan Ross students studying at la Universidad Argentina de la Empresa gathered Feb. 7: **A.J. Watson, MBA '12, Gustavo Orrillo, MBA '04, Nicolás Castagnino, MBA '00, Raquel Arévalo, MBA '88, Marcos Portaro, MBA '02, Fernando Pardo, MBA '95, Bethany Tong, MBA '12, and Selena Salazar, MBA '12.**

★ London

2 **Richard Baudin, MBA '03, Aaron Harris, MBA/MS '06, Ruth Goss, Michael Goss, MBA '02, Gene Boyarov, MBA '03, Winston Meyer, MBA '02, Shyam Pawar, MBA '07, Aman Dhillon, MBA '10, and Olga Galenko, MBA '07,** toasted the holidays Dec. 14 at Delfino.

★ Chicago

3 Alumni from Michigan Ross and the Kellogg School of Management mingled at a Feb. 24 networking lunch.

★ Mumbai

4 **Praveen Suthrum, MBA '04,** chatted with **Krishnan Srinivasan,** former India foreign secretary, during October's University of Michigan India Business Conference.

5 **Raghu Mendu, MBA '81, Bharat Govindaluri, MBA '02, and Ranjit Shah, MBA '81,** chatted during a break in the activities.



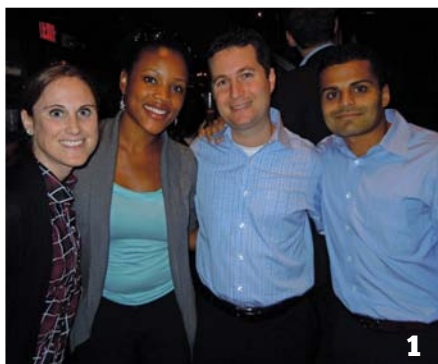
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★ New York

- 1 Tiffany Putman, MBA '09, Tanya Perkins, MBA/MPP '09, Eric Yaffe, BS '01/MBA '09, and Ojas Desai, MBA '08, welcomed recent grads to the Big Apple during a September happy hour at Village Pourhouse.
- 2 Rebecca Bucklen, Raj Singhal, MBA '00, Sarah Endline, BBA '94, and Cecil Shepherd, MBA '00, dished on life in NYC with Rodrigo Fernandes, MBA '11 (second from right).
- 3 Michigan Ross grads hit the court for some serve-and-volley action during November's Alumni Tennis Night.

★ São Paulo

- 4 Samantha Plonczynski de Albuquerque, MBA '11, Alfeu (Alves) Pinto, MBA '09, and Raquel Nadalin, MBA '10, enjoyed dinner following a Sept. 26 presentation by Professor Venkat Ramaswamy.

★ Taiwan

- 5 Michigan Ross alumni (and a sleepy future Wolverine) gathered in Taipei Oct. 29 to demonstrate their Go Blue spirit.

★ Washington, D.C.

- 6 Adam Borden, MBA '05, Meredith Borden, and Emily Neubig, MBA '10, celebrated their Club of the Year award at Cowgirl Creamery and Co Co Sala Feb. 4.
- 7 Steven LaFemina, MBA '10, Veronica Brown, Emily Neubig, MBA '10, Kara Honeycutt, MBA '11, and Dan Zohn toasted D.C.'s victory.
- 8 Shannon Ross, MBA '09, George Caruso, BBA '71, and Janis Caruso channeled their inner fromager.
- 9 Cyrus Nezhad, BBA '99/JD '02, and Chris Michelsen, MBA '10, sampled the delicacies and shared a laugh.

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Class Notes *alumni updates*



David E.A. Carson, BBA '55, received a Doctor of Humane Letters, *honoris causa*, from Yale University's Berkeley Divinity School. He was treasurer and a trustee of the school from 2002-11. David is pictured receiving the hood of office from the Very Rev. **Joseph Britton**, dean and president of the divinity school.

Gregory Curtner, BBA '67/JD '70, joined Schiff Hardin LLP, leading the firm's antitrust and trade regulation practice. He is based in Ann Arbor and New York. Greg frequently serves as lead counsel in nationwide antitrust disputes and class actions. A former chairman of the antitrust section of the State Bar of Michigan, he was a primary drafter of the Michigan Antitrust Reform Act. Greg previously was a principal at Miller Canfield in Ann Arbor.

Eric Flamholtz, PhD '69, recently co-authored *Corporate Culture: The Ultimate Strategic Asset* (Stanford University Press, 2011) with his wife/business partner, **Yvonne Randle**. "I'm convinced corporate culture is the ultimate strategic asset because it can't be copied," Eric says. "If handled incorrectly — or ignored altogether — it morphs from asset to liability." Eric is a professor emeritus at UCLA Anderson School of Management and president of Management Systems Consulting Corp. in Los Angeles.

Michael Julien, BBA '73, retired from Grand Rapids, Mich.-based Meijer Inc. in February after 37 years of service, most recently as VP

Jeffrey Jarrett, BBA '62, is in his 41st year on the University of Rhode Island faculty. He published eight manuscripts in the past academic year and plans to continue teaching and research, coupled with visits to exotic places. Jeffrey also looks forward to his 50th reunion at U-M this fall. He is pictured with the waterfalls in Croatia's Krka National Park, which he visited as part of a summer 2011 Adriatic Sea cruise.



Ed Pappas, BBA '69/JD '73, received the Champion of Justice Award from the State Bar of Michigan for his adherence to the highest principles and traditions of the legal profession, superior professional competence, and extraordinary professional accomplishment. He is chairman of Dickinson Wright PLLC. Ed has authored or coauthored various publications, including the definitive treatise on Michigan Business Torts, and is a past president of the State Bar of Michigan.

of taxes. He now heads the new Meijer family office of Legacy Trust in Grand Rapids.

John Cook, BBA '76, is chairman of the board of the Academy for Urban School Leadership, which manages teacher training academies in Chicago and oversees efforts to turn around the city's chronically underperforming schools. John is director emeritus of McKinsey and Co. He also serves on the boards of Brown-Forman Corp. and Winona Capital Management, and the dean's advisory board at Michigan Ross.

Richard Schmitt, BBA '77, published *401(k) Day Trading: The Art of Cashing In on a Shaky Market in Minutes a Day* (Wiley, 2011). The book offers do-it-yourselfers direction on trading and managing their retirement accounts, while highlighting real opportunities (some drawn from U-M lore) to earn better returns in a volatile market. Rick is an adjunct professor at the Edward S. Ageno School of Business at Golden Gate University in San Francisco.

Larry Wood, MBA '78, received a two-year appointment as treasurer of Aims Community College in Greeley, Colo. He was elected to a three-year term as a trustee last year. Larry

is executive VP of First National Bank, with branches throughout northern Colorado. He has been with First National for more than 26 years and in banking in Colorado since 1978.

Wendy Barth, MBA '80, an 11-year veteran of Rich Products Corp. in Buffalo, N.Y., has been named senior VP of global marketing. She leads Rich's headquarters-based marketing team, which supports the Asia-Pacific, Latin America, Europe/Middle East, and South Africa business regions. She also assumes global accountability for the company's business intelligence, branding, and social media strategies. Additionally, Wendy chairs the U.S./Canada region's marketing leadership team.

Elaine Crosby, BBA '80, is coordinator of Jackson (Mich.) Area Catholic Schools. She previously served on the board of Symmetrics Marketing Corp. Elaine is a former professional golfer, with two victories on the LPGA tour. She also founded the golf instruction site www.findalesson.com.

Mark Levin, BBA '80, was promoted to full professor at the William S. Richardson School of Law at the University of Hawai'i

continued on p. 41 ►



Agent of (Internal) Change

Raul Soto Jr., MBA '92, brings HR savvy to the Environmental Protection Agency



Don't call **Raul Soto Jr., MBA '92**, a tree hugger. Think of him as a change-agent impacting the environment in his own special way.

Soto is assistant associate administrator for diversity, outreach, and collaboration at the Environmental Protection Agency (EPA) — a political appointment created by the Obama administration to coordinate diversity and inclusiveness initiatives.

His ongoing charge is to facilitate a more insightful understanding of the composition of the EPA's 18,000-employee workforce — making it more representative of the nation's population and better equipped to communicate with the public.

“For the agency to protect the environment and public health, it's vital that we celebrate our different voices,” he says.

That need for cross-cultural understanding became crystal clear following the 2010 BP oil disaster along the Gulf Coast. Communicating with citizens in the affected communities was complicated by the fact that some of the region's non-native English speakers couldn't understand the pamphlets and forms the government provided. More recently, the EPA reached out to primarily Vietnamese-speaking salon workers in California about the dangerous levels of formaldehyde in a popular hair-straightening product.

“In both situations — through the collaboration of federal agencies, and environmental and health organizations at the national and local level — important messages are being delivered,” Soto says. “But these situations illustrate the needs of our diverse constituents, and the corresponding areas where we require

greater diversity and awareness in our workforce.”

Soto admits that trying to be a change-agent in a large federal agency sometimes is frustrating. “I'm used to seeing changes in a corporate setting happen overnight. Here, many individuals are involved in every decision and cultural change may take years.”

Yet he considers himself fortunate to have been appointed to such a vital role. “What I'm doing is impacting lives and helping to change how the EPA thinks about its workforce and stakeholders. A clean environment is everyone's right, and I hope that through my work, I am contributing to that goal.”

Soto's work includes analyzing hiring data and trends while identifying ways to more effectively locate qualified, diverse pools of applicants. He and his staff provide forums and tools to improve outreach, recruiting, and hiring. And they work to ensure everybody feels welcome in the highly technical workforce.

“The ultimate compliment,” says Soto, “is that individuals seek to stay.”

Early in his career, Soto was a director of economic development for a chamber of commerce, leading small business development and handling economic analysis. During the 1990s and early 2000s, he served in various HR-related roles, where he weathered personal and professional consequences while seeing how mergers, consolidations, and excessive inventories devastated many automotive suppliers. When the opportunity at the EPA came about, Soto realized he had the experience, education, and motivation to hang up his corporate hat, at least temporarily.

“What a great way to serve my country,” he says.

Even with the willingness to try something new, Soto's move provided a bit of culture shock. “I left Michigan and the private sector to enter the politically charged world of Washington, D.C.,” he says. “Instead of looking out my window to see forklifts and product shipments, I see Pennsylvania Avenue, just a few blocks from the White House.”

In a city that can be divisive, Soto preaches teamwork.

“I'm a big believer in not only collaborating with others, but in really looking at and presenting metrics that have meaning,” he says.

When he arrived at the EPA, Soto encouraged managers to share their best hiring practices with one another, and to use the diversity data they were collecting.

“We live in a world driven by numbers,” he says. “It's one thing to manage data, but being able to present and use it on a consistent basis is the next step.” ✦ —Amy Spooner

◀ continued from p. 39

at Mānoa, where he has been since 1997. Mark teaches in a variety of areas, with a primary specialization in Japanese law. His current research centers on a multi-year project concerning Japanese judicial administration and procedural justice.

Robert Barnett III, BS '78/MBA '81, is a partner with TTK Partners LLC in Chicago. He joined the firm as a senior adviser in 2009. Robert previously served as managing director and sector head of BMO Capital Markets' commercial and industrial group. Prior to that, he spent 23 years with Bank One Corp. and its predecessors, including heading Bank One's Midwest large corporate banking division. Robert is chairman of the board of the Chicago Children's Museum and vice chair of Michigan Ross' Alumni Board of Governors.

Troy Clarke, MBA '82, was appointed to the board of directors of Fuel Systems Solutions Inc., a leading designer, manufacturer, and supplier of alternative fuel components and systems. Troy is a 38-year automotive industry veteran. He currently is president of Navistar International Corp.'s Asia-Pacific and strategic initiatives, which include truck and diesel joint ventures in China and India and developing alternative growth strategies.

Jay Levin, BBA '82, was appointed to the Lower Florida Keys Hospital District, Monroe County, by Gov. **Rick Scott**. Jay is a healthcare consultant and chairman of the board of Equity Healthcare. He serves on the boards of Novis Pharmaceuticals LLC, Vibes Interactive LLC, HealthHelp LLC, and the Michigan/Israel Business Bridge. He also is a member of the Michigan Ross Corporate Advisory Board.

Kirsten Garen, BBA '83, is CIO of Bank of the West, responsible for the technology organization that serves the bank's 1.6 million customers. Previously, she was head of global distributed technology at Visa. Prior to that, she was senior VP for brokerage and trading solutions at Charles Schwab and Co.

Mark Seward, MBA '83, and his wife, Judy, launched Seward Wealth Management in Fairlawn, Ohio. Mark's three decades of experience in the industry include banking and financial planning positions in Cleveland and Washington, D.C. He also is an adjunct instructor at Stark State College in North Canton, Ohio.

Brian Barnier, BBA '84/MBA '88, recently authored *The Operational Risk Handbook for Financial Companies: A Guide to the New World of Performance-Oriented Operational Risk* (Harriman House, 2011). The book investigates approaches to operational risk across industries, disciplines, and countries, and identifies critical lessons learned. The chapter on product management and fraud draws on the insight of emeritus professor **Merle Crawford**. Brian is a managing member at ValueBridge Advisors LLC.

Thomas Gunderson, MBA '84, joined Oxford Financial Group Ltd. as a senior investment strategist in the Minneapolis office. He previously was with Lowry Hill. Thomas is a member of the Twin Cities Society of Securities Analysts and serves on the boards of the Children's Cancer Research Fund and the Downtown YMCA.

Bill Pumphrey, MBA '84, is president of North American operations at Cooper-Standard Automotive Inc., based in Novi, Mich. He also is senior executive of its global business with Ford Motor Co. Previously, Bill was president of the Americas at Livonia, Mich.-based frame supplier Tower International Inc. He also was president of Lear Corp.'s Asia-Pacific operations, among other executive positions.

Elizabeth Goch, MBA '85, received a Woman of Achievement Award from the Dearborn, Mich., YWCA. She has worked for the Oakwood Healthcare System for 39 years, currently as division president of post-acute care for the health system and vice chairman and president of Oakwood Health Promotions.

John Kim, BBA '86, CIO of New York Life Insurance Co. and CEO of New York Life Investments, has assumed additional responsibility for retirement income security products and solutions, which is being combined with New York Life Investments. John also serves on the executive management committee, which assists the CEO in setting policy for New York Life Insurance Co.

Mitch Duckler, MBA '91, joined Vivaldi Partners Group as a senior partner leading business development efforts and managing multinational projects in strategy, brand positioning, brand portfolio strategy, brand architecture, innovation, and new product development. Previously, Mitch was a partner in the Chicago office of Prophet, where he co-led the brand strategy practice area and engagements for numerous Fortune 500 companies.

Scott Finch, BGS '86/MBA '93, is VP of finance and corporate strategy at Pernix Group Inc., based in Lombard, Ill. During his M&A career, Scott has completed nearly 100 transactions totaling more than \$40 billion in gross proceeds. His corporate efforts have focused on creating and managing international treasury operations; managing banking and investor relations; and helping companies grow through the identification, financing, and integration of M&A transactions.



Holly Davidson, BBA '93, joined executive search boutique Jamesbeck Global Partners as a managing director to lead the growth of its direct private equity practice. Most recently, Holly founded the funds practice at Lancor and led Sextant Search Partners' West Coast office. Before beginning her executive search career, she worked in private equity and investment banking with Morgan Stanley and Robertson Stephens.

Dodging the Business Blind Spots

David Lee, MSE '89/MBA '97, Thrives on Surprise



David Lee, MSE '89/
MBA '97, clearly sees the
war for talent in China.

Business blind spots. By their very nature, they are counterintuitive. They come out of nowhere and can cripple the savviest CEO.

As partner and managing director at the Boston Consulting Group (BCG), **David Lee, MSE '89/MBA '97**, helps clients illuminate and avoid blind spots, especially in Southeast Asia. He is a Hong Kong native and resident with an office based in Shanghai.

Recently, Lee zeroed in on a surprising trend emerging in China. “The war for talent,” he says, “is a big blind spot.”

If it seems unlikely, that’s exactly the point. China counts a population of 1.3 billion people, its wealth is growing, and its economy is booming. But the working-age population is flattening out and soon will drop, thanks to an aging citizenry and a one-child-per-family national policy. Meanwhile, China’s GDP is projected to grow.

“When you have a huge demand for talent and a smaller supply, the price will go up,” Lee says. “I’ve seen people from Western companies complain that when they recruit in China, their HR scheme is too rigid on the compensation they can offer. The Chinese competition is beating them up left and right.”

Human resource leaders at multinational companies need to recognize and respond to this new market shift, he warns.

“Chinese companies are aggressively hiring people to help them develop new products for local and overseas markets,” Lee says. “Unless you have a clear strategy on how to recruit,

develop, and retain talent, it will be very difficult for companies to succeed in China long term.”

Lee factors in a demographic shift and income boost across inner China — new consumers who will buy more, but not necessarily the same products people favor on the coast. Meanwhile, Chinese organizations are catching up with their Western counterparts in terms of quality.

“That’s what we’re working on,” Lee says. “How do we help clients anticipate changes but at the same time react to and leverage them? It’s not about whether you can predict the future. No one can. It’s about whether you can beat your competitor and perform better amid uncertainties.”

Lee has been striving to do just that with consulting, a career he came to post-graduation more by accident than design.

“I saw consulting as being good for someone who wasn’t sure what they wanted to do but still wanted to gain experience,” he says. “Fifteen years later, I’m still in the industry. A lot of students today say they plan their career, map everything out. But in my experience, you can plan all you want. In real life, a lot of surprises will emerge.”

After attending Michigan and working in the U.S., Lee landed at consulting firm A.T. Kearney, helping companies set up operations in Asia. He traveled there so often that he decided to move back. Lee helped A.T. Kearney build its operations and procurement practice in China and soon carved his niche in one of the world’s fastest-growing, yet most perplexing, regions.

“You start creating a legacy — something tangible within a consulting firm and for your clients — and it gets very interesting,” he says.

Lee eventually moved to another consulting firm to help build its Asian operations practice before landing at BCG in 2006. Gone are the days when consultants fly in, produce a report, and collect a check, Lee notes. Consulting firms now function more like strategic partners dealing with high-level questions.

“You can have a lot of discussions that sound philosophical sometimes, but really you’re applying your experience to solve a real-life issue that keeps the CEO and board awake at night,” he says. “It’s like the case study you have at Ross, though most of the data are not provided and you have to dig through to find them. That’s the most rewarding part.” ✨ —*Terry Kosdrosky*

Angela (Goodlow) Solomon, BBA '93, released her first book, *The Ultimate Guide for the Network Marketer's Bride: Get the Love You Desire and Build an Empire*. The book, which primarily targets women associated with the network marketing industry, is beneficial to any woman who finds it challenging to balance a healthy relationship and the building of a lucrative business. Angela and her husband, Orin, previously were guest judges on "The Celebrity Apprentice." They reside near Washington, D.C., with their three sons.

Marcus Williams, BBA '93/JD '96, recently was named senior VP of corporate development at ISC8 in Costa Mesa, Calif., with oversight of the company's M&A activities and strategic corporate development projects. He previously served on ISC8's board of directors. Marcus most recently was VP of transactions and development, and prior to that assistant general counsel, at TechTeam Global Inc. He also is the owner of Gryphon's Door LLC, which contracts with ISC8 for his services.

Matthew Cohen, BBA '94, joined Mesa West Capital as a principal in the New York office. Previously, he spent seven years as managing director of the real estate group at Natixis North America, a U.S. subsidiary of a French investment bank. Prior to that, he was a VP with Genworth Financial. Matthew began his career at Assurant (formerly Fortis Advisors) in New York.

Tom McElroy, MBA '94, is VP of marketing and e-commerce for GENCO ATC. He is responsible for marketing and online sales within the company's liquidation services subsidiary, GENCO Marketplace.

Previously, Tom spent 14 years at Dell Inc. in leadership roles in business strategy and online and customer segment marketing, based in the U.S. and Singapore.

Garrick Rice, BBA '94, is a trustee of the Hadley School for the Blind in Winnetka, Ill. He is a managing director at Sterling Partners in Northbrook, Ill. Previously, Garrick was an associate with Bank of America; manager of corporate finance with Einstein/Noah Bagel Corp; an investment banking associate with Robert W. Baird; and director of business development for FOB Inc., a start-up enterprise software company. He and his wife, Jennifer, have two children.

Wayne Stapleton, AB '87/MBA '94, is an ordained pastor in the North American Baptist Conference. After working as a financial analyst at Chrysler Corp. and a management consultant at Deloitte, Wayne attended Trinity Evangelical Divinity School in Deerfield, Ill. He was an honors graduate from the Master of Divinity Program in 2007 and currently is associate pastor at Grace Community Church in Detroit.

Fred DePerez, MBA '95, is director and chief marketing manager for Nissan Marketing, leading lifecycle product marketing efforts for the Versa, Sentra, cube, JUKE, and Quest models. Previously, Fred was at Chrysler Group LLC where, most recently, he led marketing for the Dodge brand. He also held leadership posts in corporate brand strategy, global sales and product training, and global communications for Jeep. Prior to that, Fred held management assignments in sales and marketing and corporate diversity with Toyota Motor Sales USA.

Devin Johnson, BBA '95, is COO of Studio One Networks, a leader in brand-aligned content creation and distribution. He is responsible for strategic and operational leadership for the company's partnerships with online publishers and brand marketers, and oversees management of the company's finances, marketing, business development, and technology. Previously, Devin was general manager at Digital Works@NBCU (formerly NBC Digital Networks). Prior to that, he led NBC Universal's digital innovation team.

Sanjay Shetty, MBA '96, is managing director in AlixPartners' enterprise improvement unit, based in Detroit. AlixPartners LLP is a global business advisory firm offering comprehensive services in enterprise improvement, turnaround and restructuring, financial advisory services, and information management. Sanjay also is co-lead of AlixPartners' procurement practice in the Americas.

Moheeb Murray, BBA '97/JD '01, is a partner at Bush Seyferth and Paige PLLC, a leading boutique litigation firm in Troy, Mich. His practice is focused on commercial and insurance litigation. Moheeb is active in the Oakland County Bar Association and serves on the boards of the Institute for Social Policy and Understanding and Zaman International, which provides assistance for marginalized women and children in southeast Michigan and internationally.

Dan Dodd, MBA/MEM '98, is VP of operations and supply chain at the Orthopaedic Implant Co. in Reno, Nev. Previously, Dan was director of supply chain for Synvasive Technology Inc. and director of operations for Trans1 Inc.



Avec (Gómez Lee) O'Brien, MBA '02, received the 2011 Woman of ALPFA Award from ALPFA, the largest organization building Latino business leaders. The award is given to an individual who enthusiastically promotes the advancement of Latinas and personifies the qualities prized in successful professionals. Avec is one of 69 leaders selected for the 2011-12 class of Leadership Detroit, a 10-month program for senior-level executives that provides opportunities to foster problem-solving discussions and new views on how to lead the Detroit region to success. Previously, Avec was CFO of the Detroit Science Center. Before that, she was a manager in the assurance and enterprise risk services practice at Deloitte and Touche LLP. Avec resides in Novi, Mich., with her husband, Joe, and sons, James and Michael.

Building on a Solid Foundation

Tom Perko, MBA '91, Constructs a Sustainable Future for Haiti



Tom Perko, MBA '91, is rebuilding Haiti alongside the Haitians as executive director of Extollo International.

Tom Perko, MBA '91, doesn't flee devastation. He faces it head-on. For a time, he dealt with mortar fire near his Sarajevo apartment by opting to sleep on the floor. Today, he is helping Haiti rebuild after the 2010 earthquake that killed some 225,000 people.

Perko is executive director of Extollo International, a subsidiary of Christian Education Development Co. The Bay Area nonprofit trains construction workers in Haiti and performs reconstruction work there. Extollo recently completed a girls' orphanage near Leogane, and in March workers broke ground on a village concept for 75 orphaned girls. The facility will replace an unsafe structure that lacks running water and electricity.

But Extollo's mission goes beyond fixing what's broken, says Perko. Consider the adage of teaching a man to fish so he can eat for a lifetime. In Haiti's case, Extollo wants to build a world-class facility to train locals to build earthquake- and hurricane-resistant structures themselves.

"Haitians depend on international aid," he says. "But waiting for outside help diminishes their ability to be entrepreneurial. We want them to learn what we know, improve upon it, and then own the work."

It takes more than a bricks-and-mortar education to manifest real progress, however. "If you're just training tradesmen, they can't affect much societal change," Perko says. "We want to teach entrepreneurial and business skills, too. And we need to help the government understand its role in a safe, sustainable construction industry."

As in any startup, Perko wears numerous hats. While he moves

forward with plans for the training center, he's also fundraising and developing partnerships for shorter-term projects like the orphanages. In addition, he balances day-to-day operations with an eye on long-term strategy. Through it all he has to remember that change in Haiti won't happen at the lightning-quick speed of Silicon Valley. Even a task like purchasing land becomes complicated when dealing with a decimated government and an antiquated land-succession system.

"You have to be in the mix to really understand the process, which can be hard when we're in California and the 'mix' is 3,000 miles away," Perko says.

He often travels to Haiti to supervise progress and give tours to prospective donors. Each trip is humbling. "You can't fathom the poverty until you see it," Perko says. "It enriches your life to be aware of the poor and realize you can do something to help — but it isn't easy."

Doing something to help has been the construction management professional's mission since his pre-Michigan days as a Peace Corps volunteer in West Africa. After earning his MBA, he did business development for General Motors Corp. in Cote d'Ivoire. He then harked back to his service-oriented roots by joining Catholic Relief Services on projects in Kharbarovsk, Russia, and then Sarajevo, Bosnia and Herzegovina — at the height of the Yugoslav war.

"I had an education and work experience that could be helpful," Perko says. "I thought, 'It's Europe; how bad can it be?' Once I got there, I knew."

Despite the danger, Perko remained for a post-war assignment with the World Bank, leading reconstruction projects and reemployment programs for ex-soldiers. He returned to the U.S. in 1999 and worked in construction for private companies and Wal-Mart Stores Inc. After the earthquake in Haiti, his volunteerism on the island evolved into full-time work with Extollo.

"They needed construction management expertise and Third World experience," he says. "I had to do it."

Despite the influx of aid to Haiti in the quake's aftermath, the lingering effects are catastrophic. Entire neighborhoods remain in shambles, while food shortages and health epidemics persist.

"People respond well to emergencies," Perko says. "And those resources help fix the crisis. But texting \$50 to the Red Cross doesn't do much for long-term development."

Grassroots organizations like Extollo fill the gap, he notes.

"Our leadership is accessible, our work is transparent, and our mission is focused. We are about bottom-up change that gives the average person a chance to succeed." ✦ —Amy Spooner

Brad Muehlbauer, MBA '98, is president of Koch Air LLC, which distributes Carrier equipment and all associated HVAC parts and supplies throughout parts of Indiana, Illinois, Kentucky, and Missouri. Previously, Brad was VP of operations. Prior to joining Koch Air, he spent eight years at Gibbs Die Casting, most recently as president of North American operations. Brad is a fifth-generation member of Koch's family leadership. He lives with his wife, Lynn, and their two children in Evansville, Ind.

Dan Lee, MBA '00, recently became a managing director at Comvest Capital, a West Palm Beach, Fla.-based middle-market private equity firm. Dan was a founding member of Dymas Capital, a middle-market lending platform backed by Cerberus Capital. He previously cofounded Square 1 Bank's late-stage lending group and served as a managing director at Kugman Partners.

Evan Bedil, MBA '03, has been retained as a senior adviser to PDL BioPharma to assist with the identification and evaluation of drug royalty-bearing asset acquisition opportunities. Previously, Evan was a business development consultant at Defined Health and a senior healthcare analyst at hedge funds Moulton Point Capital and Marathon Asset Management. Prior to Marathon, Evan was at Morgan Stanley in biotechnology equity research.

Rob Eastman, MBA '03, is chairman and CEO of Eastman Outdoors, a leading outdoor lifestyle manufacturer based in Flushing, Mich. He previously was president of the company for more than a decade.

Anna Haghgoie, BBA '03, is a managing director at Sandbox Industries, a Chicago-based venture capital firm and business incubator.



Jonathan Ives, MBA '03, has been appointed managing director of the capital strategies group at Fifth Third Bank, serving various markets in Ohio as well as Pittsburgh. He also leads nationwide transportation and logistics industry efforts for the capital strategies group. Jonathan previously was a director at Harris Williams and Co.



Salvatore Pacella, MD '01/MBA '05, is chief of plastic surgery at Scripps Clinic and Research Institute and Scripps Green Hospital in La Jolla, Calif. Salvatore, the youngest surgeon ever to be appointed to this position, also was inducted recently into the American College of Surgeons. In addition, he spearheaded an initiative to create the Scripps Clinic Center for Abdominal Wall Reconstruction, integrating multiple specialists in general and plastic surgery to care for patients with debilitating abdominal wall hernias.

She previously was the general manager at an integrative healthcare startup in Chicago.

Rahul Shah, MBA '04, joined AlphaOne™ Capital Partners LLC as an equity research analyst, based in suburban Philadelphia. Most recently, he was a fundamental research analyst in an equity affiliate of Nuveen Investments.

Warde Manuel, BGS '90/MSW '93/MBA '05, has been named director of intercollegiate athletics at the University of Connecticut. He previously was in the same role at the University of Buffalo for six years. Prior to that, Warde was an assistant and associate director of athletics at the University of Michigan, where he oversaw the football and men's basketball programs.

Sunil Mithas, PhD '05, published *Digital Intelligence: What Every Smart Manager Must Have for Success in an Information Age* (Finerplanet, 2012). The book helps managers leverage IT innovation to satisfy internal and external customers. Sunil is an associate professor at the University of Maryland's Robert H. Smith School of Business. He was named a 2011 young scholar by the Marketing Science Institute as a "likely leader of the next generation of marketing academics." Alumni and friends can buy the book at a discount

Srinivasan Suresh, MBA '05,



was appointed director of emergency medicine and chief medical information officer at Children's Hospital of Michigan in Detroit. In these roles, he oversees one of the busiest pediatric emergency departments in the country and is responsible for information technology initiatives at the hospital. He also is a clinical professor of pediatrics and emergency medicine at Wayne State University School of Medicine in Detroit.

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Devin Sullivan, BBA '07, joined the Michigan-based law firm of Zausmer, Kaufman, August, Caldwell, and Tayler PC. His practice focuses on commercial litigation and insurance defense. Previously, Devin practiced commercial litigation at Jenner and Block LLP in Chicago.

Scott Brinker, MBA '10, was promoted to executive VP of investments at Health Care REIT Inc. in Toledo, Ohio. He has played a leading role in evaluating, structuring, closing, and monitoring the company's portfolio since 2001, as it grew from approximately \$1 billion to more than \$13 billion of real estate investments. In his expanded role, Scott continues to provide leadership in these areas and also plays a central role in executing the company's strategic objectives.

Cleaning Up in Clean Tech

Entrepreneur Adrian Fortino, BSE '00/MBA '10, Hooks Up with Investor Ryan Waddington, BS '93/MBA '99, as Part of a \$1.25 Million Deal



Adrian Fortino, BSE '00/MBA '10, and Ryan Waddington, BS '93/MBA '99, are driving a partnership in clean tech.

In the venture capital world, sometimes you find the investment and sometimes the investment finds you.

Thanks to a series of Michigan Ross connections, the ideal early-stage investment recently found clean-tech investor **Ryan Waddington, BS '93/MBA '99**. He is co-founder and managing partner of Huron River Ventures. The Ann Arbor firm funds early-stage startups focused on energy efficiency, renewable energy, and advanced transportation.

Huron River's latest investment is Shepherd Intelligent Systems, led by **Adrian Fortino, BSE '00/MBA '10**. Shepherd deploys hardware-agnostic mobile software technology to help transportation fleets track and manage vehicles (from taxis to buses) at a low cost. It also allows customers to order and check the status of rides via mobile phones. The system proved itself during years of use on the University of Michigan's Magic Bus System.

The recent investment highlights the burgeoning entrepreneurial and innovation ecosystem in Michigan. "There are more good deals out there than we can get involved in," Waddington says. "Luckily, [Shepherd] found us."

But first, Fortino found Shepherd when he met company co-founder **Jahan Khanna, BS '09**, who developed the tracking technology for the Magic Bus System. It was a success in that space, with 13,000 unique users a week.

A year ago, Fortino and Khanna decided to work exclusively with private fleets managing taxis, limos, shuttle services, and university bus systems.

When Fortino found Waddington at Huron River, he also found an engineering classmate from his undergrad days. Turns out **Tim Streit, BS '00**, is Waddington's partner at the firm.

The Huron River deal came with another twist. Fortino had been talking to San Francisco-based fund Spring Ventures about investing in Shepherd. Founding partner **Sunil Paul** happened to be a member of Huron River's advisory board.

"That was validation for each fund," Fortino says. "The deal happened because Shepherd is a good fit for both Huron River and Spring Ventures. They look for efficiency and optimization, and that's what we do."

Together the funds invested \$520,000. Waddington has since joined Paul on Shepherd's board, with Fortino rounding out the three directors. Shepherd ultimately raised \$1.25 million, with the balance coming from other investors.

Helming Shepherd Intelligent Systems marks Fortino's second time at the start-up dance. His first, search engine marketing firm Boomdash LLC, suffered from a difficult sales process and complicated business model. Bad timing also was a factor — attempting to raise equity in fall 2008 was a disaster.

"You learn a lot from something like that. At least we failed reasonably quickly," he says.

Waddington, meanwhile, had worked in clean-tech funding for DTE Energy Co. and handled investments for a large family office in New York before returning to Michigan last year to co-found Huron River Ventures. For Waddington, connecting with fellow Michigan Ross MBA Fortino gave him the chance to make his second big splash with an alum.

Huron River's first investment, Ambiq Micro, produces low-power semiconductors that increase battery life while reducing cost and weight. Ambiq Micro's management team counted **Phil O'Neil, MBA '10**, as one of its members. The technology was developed at U-M, and early funding came from the Frankel Commercialization Fund by way of the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies at Michigan Ross.

Waddington says his MBA network and background in environmental engineering positioned him nicely for his current role as a clean-tech venture capitalist.

"I get a charge out of working with passionate entrepreneurs who have a good idea but need capital and connections to make it happen," he says. "To be able to do that in Michigan with technologies that address major global challenges is a dream come true."

✦ —Terry Kosdrofsky

OBITUARIES

JASON GEORGE MEMORIAL FOUNDATION HONORS FALLEN VET

Maj. **Jason George, MBA '04**, was killed in action in Iraq in 2009. A graduate of West Point, Jason served in the U.S. Army for eight years before entering Michigan Ross and earning his MBA. After graduation, he worked in the Chicago office of Deloitte Consulting. As an Army Reservist assigned to the 252nd Combined Arms Battalion, Fayetteville, N.C., Jason was called back into active duty in spring 2009. He was killed just 16 days after arriving in Baghdad. Jason is remembered by Michigan Ross classmates and loved ones for his loyalty, kindness, and humor. He participated in several campus sports and activities, most notably as a founder of the infamous Bus, a school bus-turned tailgate destination open to all Michigan Ross students. Together with Jason's family and friends, the co-founders of the Bus recently established the Jason George Memorial Foundation dedicated to supporting veterans, promoting civic service, and providing for the scholarship of those who serve. Learn more about the foundation at jfg.clubexpress.com.

Lee Danielson, professor emeritus of human resource management, passed away Nov. 27.

A veteran of World War II, Lee saw active duty on Iwo Jima and in Japan as a member of the U.S. Marine Corps. He received his BS degree from Antioch College in 1947 and his master's and PhD degrees in industrial psychology from the University of Michigan in 1949 and 1956, respectively. Lee was a member of the business school faculty from 1953 until his retirement from active status in 1991. From 1958-59, he served as the assistant to the dean. Former student Joel Hepner, BBA '56, recalls his favorite teacher as a cross between Craig Stevens (later to be remembered as Peter Gunn) and Cary Grant. "I was fascinated by his course in industrial psychology, and he held my interest minute by minute," Joel says. Years later, student and teacher reconnected as adult friends sharing many common interests. "I will miss him," says Joel.

William Eichler, BBA '53/AM '77, passed away Feb. 16. Bill spent the last 35 years in Riverton, Wyo., where he served as the business manager at Central Wyoming Community College and Wyoming Indian Schools. He served on the Riverton city council from 1988-95, and was mayor for seven years. Bill was involved in the VFW, American Legion, Lions Club, Chamber of Commerce, Masons, and Shriners. He was VFW Commander in Michigan, treasurer of the Lions Club in Wyoming, and a past director and treasurer of the Rocky Mountain Lions Eye Bank. A native of Flint, Mich., Bill served in World War II aboard the submarine

USS Ronquil (SS-396). Early in his business career, he ran his own accounting and tax services firm.

James Filgas, AB '56, professor emeritus of business administration, passed away Jan. 7.

Jim served on the business school faculty from 1969 until his retirement in 1992. In addition to being an excellent teacher, he was recognized for dedication and distinction in the area of student services — including academic advising for both undergraduate and graduate students, financial aid, registration, course selection, and counseling. After earning his undergraduate degree at Michigan, Jim went on to earn his master's and PhD degrees at Indiana University. He taught at Indiana University, Northwestern University, the University of Notre Dame, and Webster University in Vienna, Austria. Memorial contributions in Jim's honor can be made to the University Musical Society via the University of Michigan Office of Development, 3003 S. State St., Suite 9000, Ann Arbor, MI 48109.

Gustavo Serrano, a student in the MBA Class of 2012, lost his battle with lung cancer in October. A native of Brazil, Gustavo earned his bachelor's degree in civil engineering from the Universidade de São Paulo. He worked in the aviation and aerospace industry before choosing to pursue his MBA. During his time at Michigan Ross, Gustavo was active in several student activities ranging from the Consulting Club to the Triathlon Club. "He loved the business

Charles (Chic) Hollis, BBA '55,

died Jan. 12. Throughout his career, Chic worked in various finance positions for General Electric, Chrysler,

Volkswagen, and Bendix (now Honeywell), spending some 16 years overseas in such countries as Venezuela, Argentina, Brazil, and Spain. In 1992 he became COO of California-based retail property management company Hollis and Associates. He retired in 1998 and dedicated himself to family, motorcycling, reading, and writing. Chic also was an avid drummer for 71 years. As a Michigan student, he served as principal drummer and student business manager for the University bands. He performed at New York's Carnegie Hall, Boston's Symphony Hall, and Philadelphia's Academy of Music. Chic was a member of the Sigma Alpha Epsilon fraternity and the Beta Gamma Sigma business honor society. After graduation, he served in the U.S. Air Force and was stationed in North Africa.

school and was very proud to be one of its members," says his father, Luiz Roberto Serrano. "I'm sure he would have honored the name of Ross long after he graduated."



Shifting Sands

AN EXPAT NAVIGATES A CHANGING QATAR

One year. That’s how long my husband and I, both American journalists, had planned to live in Qatar, a tiny, Michigan-shaped country jutting out into the Persian Gulf.

That was in May 2007, just months before the United States fell into an economic recession. A concurrent upheaval in the journalism industry left us with slim job prospects back home.

Meanwhile, in gas-rich Qatar, things were just beginning to pick up. Over the next five years, we witnessed a flurry of economic development, the birth of a cultural scene, and increasing Arab political revolutions that seemed to take place everywhere but here.

In our own ways, we took part in the transformation — my husband working for Al-Jazeera’s freshly launched English-language channel; myself teaching introductory journalism at Northwestern University’s newly opened satellite campus.

But adjusting to life in Qatar, where the color of our passports means everything; the workweek starts on Sunday, not Monday; and summer temperatures can reach a blistering 120 degrees Fahrenheit; has been one of the most difficult challenges of my life.

As an expat, I had a chance to reinvent myself. I’d like to say I jumped on that opportunity as soon as I arrived, but I was too busy trying to recreate

everything I had back home to open my eyes to the possibilities around me.

But eventually, change I did, and mostly for the better.

Now, during trips back to the states, I have stopped stuffing my suitcases solely with American-bought toiletries, clothes, and food — though I always pack at least one box of Cheez-Its.

No longer conflicted by identity issues, I also have lost the urge to demonstrate my “unaccented” English to every American I encounter here.

And despite my aversion to incorrect grammar, I have learned to communicate in pidgin English. Here, it is the *lingua franca* — Arabic is almost an afterthought because Qatar has imported 85 percent of its 1.7 million population to do the jobs the locals can’t, or don’t want, to do.

Many of Qatar’s blue-collar workers, including construction laborers, live-in nannies, and overworked taxi drivers and gas station attendants, hail from poor Asian countries. Their treatment is something that I, as a journalist and child of Indian immigrants, am particularly sensitive to — though I fear less so as the years pass.

But Qatar is not just a hotbed of human

rights violations. It also is the host of the 2022 World Cup; the owner of the world’s most expensive painting; and home to every imaginable American fast-food chain, ice cream joint, and coffee shop (including Starbucks and Caribou, though sadly, not Jimmy John’s or Taco Bell).

Qatar is Arab hospitality, desert, and city. But more than that, Qatar is a chance — a chance to understand more about the world than I ever could have if I’d stayed in the U.S.

It is an understanding that I hope we can pass on to our children. Though they were born here, they likely will never obtain Qatari citizenship. And no matter how long we stay here, neither will we.

But for now, at least, Qatar is home. ✨

Shabina Khatri, BBA '04, is a journalist who formerly worked at the *Detroit Free Press* and *The Wall Street Journal*. Khatri, who recently obtained her master’s from Northwestern’s Medill School of Journalism, now helps aspiring writers hone their craft. She also sends an across-the-ocean “Go Blue!” to brothers and fellow Wolverines **Saleem Khatri, BBA '01**, and **Aseem Khatri, BBA '06**.

PHOTOS COURTESY OF SHABINA KHATRI

**M**

“I’ve had opportunities to work all around the world. When employers see Michigan Ross on a resume, they know exactly what they’re getting.”

—Laurent Laffineur, MBA '99

Associate Principal, Partners in Performance

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It’s important to me that my MBA be recognized wherever I go — and it is. I especially would like the Michigan Ross name to be more well-known in Europe.

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