

FALL 2014

# dividend



## ***A Business Prescription for Healthcare***

*A look at how Ross works across  
boundaries to help shape  
the future of the field*

**ALSO IN THIS ISSUE:**

From NFL Action to Gatorade Marketing  
The Rise in Noncompete Clauses

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## Healthcare is a topic that has generated much discussion of late in medical, political, and business circles.

New policies, new technologies, new patients, and new priorities have presented both opportunities and challenges for what is one of the largest and fastest-changing segments of the global economy.

As you will read in this issue of *Dividend*, Michigan Ross is perfectly positioned to inform, improve, and impact the future of healthcare. Our mission to develop leaders who make a positive difference in the world is a common thread that links the research our faculty is conducting on healthcare, the number of students coming to us from the medical field, and the impressive roles Ross alumni are playing in this critical time. It's gratifying to watch the Ross community help to usher in best-in-class business practices for an industry that affects each of our lives.

In this issue of *Dividend*, you'll also find an update on the construction project to complete the vision for a true business campus here at Ross. Thanks to the generosity of donors, progress is well under way for new facilities that will build on the look and feel of the signature Ross building and create inspiring space with advanced technology throughout our campus.

The generosity of alumni is also fueling support for innovation in academic programming, attracting the best faculty and staff, and making a Ross education a reality for more students.

These advances are especially apparent in the newly revamped BBA curriculum, our impressive new faculty members, and the new Och Initiative for Women in Finance, which, thanks to a gift from the Och Family Foundation, will raise awareness about and access to finance careers for women.

The passionate support of the Ross alumni community is inspiring. I am proud of what we continue to accomplish together, and I thank each of you for being exceptional ambassadors for our school and an inspiration for our students.

Sincerely,

Alison Davis-Blake  
Edward J. Frey Dean  
Stephen M. Ross Professor of Business

# TAPPAN & HILL

## THANKS TO OUR VICTORS



Generous donors have given \$182.2 million so far to the Victors For Michigan: Victory For Ross campaign. Launched last fall, the effort is raising \$400 million for student support, program support, and faculty support, as well as new facilities.

Thank you to all who have made a gift. To see a full Honor Roll of donors, go online to [michiganross.umich.edu/invest](http://michiganross.umich.edu/invest).

## ROSS PLAYS ROLE IN U-M PRESIDENT'S INAUGURATION



When **Mark Schissel** formally became the University of Michigan's 14th president Sept. 5, Ross played host for part of the occasion.

A daylong series of inaugural events began with symposia on biomedical research and privacy, held in Blau Auditorium. Later in the day, formal installation took place at Hill Auditorium, followed by a community welcome reception on Ingalls Mall.

## GIFT SUPPORTS WOMEN PURSUING FINANCE CAREERS

A new initiative at Ross aims to increase awareness and improve access among undergraduate students about careers for women in finance.

The Och Initiative for Women in Finance is made possible through a significant gift by **Jane C. Och, BBA/MAcc '86**, and **Daniel S. Och**. Mentorships, coursework, action-based learning projects, professional development workshops, and co-curricular programming will be part of the initiative, which launched this fall.

“We are very pleased to be supporting such an important initiative and are proud to be affiliated with the Ross School and the University of Michigan,” Jane Och said.

Jane Och is a former associate at Goldman Sachs. Daniel Och founded Och-Ziff Capital Management Group LLC in 1994 and now serves as CEO, executive managing director, and chairman. The couple has been active at the U-M as high-level volunteers. Jane Och also serves on U-M’s President’s Advisory Group and the Ross BBA Advisory Committee.

## ROSS LAUNCHES NEW WEBSITE



If you have visited the Ross website recently, you may have noticed a very different looking site.

The new Michigan Ross site launched in August and was designed first and foremost with prospective students in mind, taking a more user-friendly design and navigational approach. The site is bold, engaging, and features more rich media throughout the site.

It is now easier than ever for you to share your favorite Ross news, *Dividend* stories, or Ross Thought in Action pieces, with enhanced social media capabilities. Visit the site at [michiganross.umich.edu](http://michiganross.umich.edu).

## MACC GRADUATES EARN TOP CPA HONORS TWO YEARS IN A ROW

The American Institute of Certified Public Accountants presents its Elijah Watt Sells Award to the very top level of new CPAs—those who pass all four sections of the CPA exam on their first attempt, scoring 95% or better. In 2013, more than 94,000 people took the exam and just 55 won the award.

The Ross Master of Accounting Program has the distinction of graduating winners of the award for two consecutive years. **Martha Everett** won for 2012, and **Justin Teplitz** won for 2013. Both Everett and Teplitz also hold BBAs from Ross. Everett now works for Plante Moran in the Detroit area, while Teplitz works for KPMG in New York.

## ROSS TAKES COMMITMENT TO SOCIAL IMPACT TO NEW LEVEL

Social impact has long been a key part of the Ross experience and philosophy. Now, a new Center for Social Impact will serve as a hub for those efforts and make it easier for students to learn about and participate in them—and to pursue related careers.

The center serves as a gateway to social impact programs at Ross and around U-M, and it provides students with the skills and insight to tackle complex social challenges. The center also hosts events to promote collaboration and inspire dialogue on social innovation.

For more information, see the center’s website: [socialimpact.umich.edu](http://socialimpact.umich.edu)

## VIDEO CAPTURES MAP EXPERIENCE IN BRAZIL





A new Ross-produced online video offers a peek into the experience of a team of Full-Time MBA students on their Multidisciplinary Action Projects course earlier this year.

The six-and-a-half-minute video follows the team to Brazil as they work on a market entry project for the world's largest consumer packaged goods company, Procter & Gamble. Watch the video on the Ross website ([michiganross.umich.edu/programs/map](http://michiganross.umich.edu/programs/map)) or on YouTube ([www.youtube.com/watch?v=OeRs15LsXfo](http://www.youtube.com/watch?v=OeRs15LsXfo)).

P&G is a regular sponsor of MAP, thanks in part to former Chief Customer Officer **Robert Fregolle, BBA '79**. The Office of Action-Based Learning encourages MAP proposals from Ross alumni; contact the office at [rossmapprogram@umich.edu](mailto:rossmapprogram@umich.edu)/734-615-2096, or find out more at [michiganross.umich.edu/programs/map/information-for-sponsors](http://michiganross.umich.edu/programs/map/information-for-sponsors).

## SAVE THE DATES: HIGH-PROFILE CONFERENCES COMING TO ROSS

Long recognized as a leader in the concept of positive business, Ross was a natural home for the country's first Positive Business Conference in May. The initial event was well received, and a second annual conference is now in the works for May 14-16, 2015.

Likewise, who better than Ross to organize the first conference focusing on all types of hands-on learning in business schools? The school will host the inaugural Action-Based Learning Conference June 3-5, 2015.

Planning is under way for both conferences. Watch for details as the events draw near.

## REDESIGNED BBA CURRICULUM GAINS A NEW NAME



The reinvented curriculum for the Ross BBA Program, detailed in the spring issue of *Dividend*, now has a name. The program adopted the name MERGE—Multidisciplinary Exploration and Rigorous Guided Education

—both to help describe the curriculum and to give it a recognizable identity as Ross continues to take a leadership role in undergraduate business education.

“The Michigan Ross MERGE curriculum takes into account key industry studies showing that millennials seek a more guided educational experience that is academically rigorous and involves active learning,” said **Lynn Wooten**, associate dean

for undergraduate education at Michigan Ross. “They want to push their own boundaries within a challenging but safe environment where they can develop into emerging leaders.”

## SPOTLIGHT! WINNERS EARN SCHOLARSHIPS, HELP COMPANY



Cummins President and COO **Richard Freeland** meets with Ross MSCM students **Ankur Agarwal** and **Nikhil Vajandar**, along with Michigan Engineering student **Shijun Ma**, during their Tauber Summer Project.

Ross students competed in the 2014 Spotlight! Team Project Showcase and Scholarship Competition on Sept. 12. Spotlight! is sponsored by U-M's Tauber Institute for Global Operations and featured 35 teams with 89 students from 26 sponsoring companies, who presented their operations and manufacturing solutions to a panel of executives from some of the world's major corporations.

The team whose project focused on Cummins Inc. took first place for creating a business strategy that reevaluated the company's China manufacturing component. Two of the team members are students from the Ross Master of Supply Chain Management Program. Their recommendations will save Cummins an estimated \$22 million over the next 10 years. Each Cummins student team member won a \$5,000 scholarship award. The second and third place teams also won scholarship awards, for a total of over \$40,000.

## FIRST MASTER OF MANAGEMENT STUDENTS START CLASSES

After extensive planning and preparation, the new Ross Master of Management Program is teaching its first class of students.

The inaugural class consists of 41 students. The one-year program is designed for those who have recently graduated with a non-business bachelor's degree and want a solid grounding in business fundamentals.

Before classes began, the program started with quantitative skills assessments, exploratory activities, informational interviews related to future jobs and careers, and a suggested reading list. The students also went through orientation and participated in the newly expanded Michigan Ross Impact Challenge.

## IMPACT CHALLENGE EXPANDS ITS REACH AND GOALS



A much-praised and much-valued facet of the Ross Full-Time MBA Program this year expanded to other degree programs—and also increased its already ambitious goals.

The Ross Leadership Initiative’s Impact Challenge traditionally involved a weeklong activity in August in which new Full-Time MBA students envisioned, developed, and delivered a project to improve life in Detroit. This year, the challenge is far more challenging: It now involves six Ross degree programs, and the goal is nothing less than creating a new self-sustaining business.

Evening, Weekend, and Global MBA students, along with Master of Management students, helped shape the early stages of the project. Full-Time MBA students were challenged to work with community groups and come up with viable proposals for a pitch competition. The winning idea was turned over to BBA students to create a Kickstarter funding

drive. From there, teams of students will take the winning idea and work over the coming months to launch the venture, with guidance from Ross faculty and community partners.

## VIDEO SERIES SHOWCASES VISITS FROM TOP EXECUTIVES

### 60 Seconds in the C-Suite

The highest level business executives and leaders visit the Ross School of Business every year. Through 60 Seconds in the C-Suite chronicles these visits and delivers to you exclusive insights into the minds of the



**The Secret to Great Customer Service - 60...**  
by The Ross School of Business - University of Michigan

**How Does Delta Keep Air Travel Comfortable? - 60...**  
by The Ross School of Business - University of Michigan

**What Ford considers expanding globally - 60...**  
by The Ross School of Business - University of Michigan

Ross regularly hosts C-level executives for various events, and a video series launched this summer captures some of their thoughts. “60 Seconds in the C-Suite” poses one quick, topical question to leaders like Ford President/CEO Mark Fields, Kraft Foods Group CMO Deanie Elser, and Mastercard Chief Franchise Officer Tim Murphy.

Check out the series and watch for new installments on the Ross YouTube channel: [youtube.com/user/RossSchoolofBusiness](https://www.youtube.com/user/RossSchoolofBusiness)

## FACULTY AWARDS, HONORS, AND APPOINTMENTS

### FTC Taps Ross Professor to Head Bureau of Economics



Ross Professor **Francine Lafontaine** was appointed director of the Federal Trade Commission’s Bureau of Economics.

Lafontaine, William Davidson Professor of Economics and Public Policy, is a leading expert in franchising, contracts, and entrepreneurship. As director, Lafontaine will oversee economic analysis at the FTC and advise the commission on economic policy.



## ROSS FACULTY AWARDS

Each spring, Michigan Ross honors its faculty for outstanding teaching, research, and service, celebrating the school's vibrant intellectual capital. The Ross Faculty Awards and Neary Teaching Excellence Awards recognize those who have gone above and beyond in educating students, undertaking important research, and making contributions to business education. Michigan Ross faculty are among the highest-ranked researchers in the world.

### Winners of the 2014 Ross Faculty Awards are:

- ▶ **Brian Wu** ..... Sanford R. Robertson  
Assistant Professor of Business  
Administration Award
- ▶ **Linda Lim** ..... Victor L. Bernard  
Teaching Leadership Award
- ▶ **Jeffrey Sanchez-Burks** Executive Education Teaching  
Impact Award for Custom Programs
- ▶ **Maxim Sytch** ..... Executive Education  
Teaching Impact Award for  
Open-Enrollment Programs
- ▶ **Rajeev Batra** ..... CORE Award
- ▶ **Jim Westphal** ..... Researcher of the Year Award
- ▶ **Wayne Baker** ..... Senior Faculty Research Award
- ▶ **Bill Lanen** ..... Andy Andrews Distinguished  
Service Award

The Neary Teaching Excellence Awards are selected by Michigan Ross students in recognition of outstanding contributions to their learning experience.

### The winners are:

- ▶ **Hyun-Soo Ahn** ..... Executive MBA Teaching  
Excellence Award
- ▶ **Ryan Ball** ..... Full-Time MBA Teaching  
Excellence Award
- ▶ **Damian Beil** ..... Global MBA Teaching  
Excellence Award
- ▶ **James DeSimpelare** ..... MAcc Teaching Excellence  
Award
- ▶ **Aneel Karnani** ..... Weekend MBA Teaching  
Excellence Award
- ▶ **Amiyatosh Purnanandam** PhD Teaching Excellence Award
- ▶ **Scott Rick** ..... BBA Teaching Excellence Award
- ▶ **J. Eric Svaan** ..... Evening MBA Teaching  
Excellence Award

## OTHER HONORS

**Dana Muir**, an authority on pension funding and investment policies, was appointed to the World Economic Forum's Global Agenda Council on Insurance and Asset Management. During this two-year appointment, she will give input to WEF governors for their meetings in Davos and help shape the Outlook on the Global Agenda and the Global Agenda Survey.

**Richard Bagozzi** was named by Thomson Reuters as one of "The World's Most Influential Scientific Minds 2014" in the economics and business field. Bagozzi, Dwight F. Benton Professor of Behavioral Science in Management, studies the intersection of business, behavior science, and neuroscience.

**Mark Mizruchi** has won the Academy of Management's prestigious 2014 George R. Terry Book Award for *The Fracturing of the American Corporate Elite* (Harvard University Press).

**Andy Hoffman's** research on why the two sides of the climate change debate can't see eye-to-eye has won the 2014 Best Paper Award from the journal *Organization & Environment*.

**Stefan Nagel** has been named a co-editor of the *Review of Financial Studies*, one of the top journals in finance and economics research.

**Jeffrey Sanchez-Burks** won Best Paper from the Academy of Management's Organizational Behavior Division.

**Maxim Sytch** received Best Reviewer Award from the Academy of Management in the Management Theory Division.

**Norman Bishara** and **David Hess** won the Virginia Maurer Award for Best Ethics Paper.

**Lynda Oswald** received the Holmes-Cardozo Award from the *American Business Law Journal*.

**Uday Rajan** won the Distinguished Service Award from Management Science.

**Jun Li** received the Management Science Distinguished Service Award, and the Management Meritorious Service Award from Manufacturing & Service Operations Management.

**Venkat Ramaswamy** won the 2013 Outstanding Paper award from Emerald Publishing.

**Scott DeRue** won Best Leadership Paper Award from Ivey Business School.

**Jane Dutton** was honored with an Outstanding Author Contribution award in the 2014 Emerald Literati Network Awards for Excellence.

**Damian Beil** received a Meritorious Service Award from Manufacturing & Service Operations Management and a Management Science Meritorious Service Award from Management Science.

## APPOINTMENTS



DeRue Krishnan Ahuja Clyde Ashford



Duenyas Kapuscinski Mayer Quinn Miller

**Scott DeRue** was named associate dean of Executive Education. He takes the reins from Kim Cameron, whose successful three-year term saw a 50 percent increase in revenue, a 70 percent increase in custom clients, and a significant international expansion. DeRue will continue as director of the Ross Leadership Initiative.

**M.S. Krishnan** was named associate dean for Global Initiatives, assuming the role from Bill Lanen, who has retired. Lanen's efforts greatly expanded the international opportunities for Ross students, nearly tripling the number studying abroad, and helped establish Ross Global Initiatives.

**Gautam Ahuja** will take over as director of India Initiatives from Krishnan July 1, 2015.

**Paul Clyde** was named president of the William Davidson Institute. Clyde is director of the Living Business Model Initiative at Ross and has worked on projects in developing countries with students. Clyde also was selected as one of three 2014 U-M Collegiate Lecturers.

**Sue Ashford** was named area chair for Management & Organizations.

**Izak Duenyas** was named co-director for the Tauber Institute for Global Operations.

**Roman Kapuscinski** was named area chair of Technology & Operations.

**David Mayer** and **Robert Quinn** were named co-directors of the Center for Positive Organizations.

**Greg Miller** was named director of the Paton Center for Research in Accounting.

## NEW FACULTY MEMBERS



**Lindsey Gallo** joins the Accounting faculty. Gallo is making a return to Ross, where she earned her BBA in 2004 and MAcc in 2005. She earned her PhD from the University of Maryland's Robert H. Smith School of Business. Gallo's research interests are the role of uncertainty and disagreement in capital markets, the information content of earnings, and the relationship between firm-level and macroeconomic information.



**Sarah Miller** joins the Business Economics faculty. Miller earned her PhD from the University of Illinois. Her research interests are healthcare economics and consumer credit. She has studied the Massachusetts healthcare reform law extensively, as it was a model for the federal Affordable Care Act.



**Joline Uichanco** joins the Technology and Operations faculty. She earned her PhD from the Massachusetts Institute of Technology. Uichanco's research interests include risk and decision-making under uncertainty, especially in the areas of humanitarian logistics, supply chain management, and service operations.



**Stefan Zeume** joins the Finance faculty. Zeume earned his PhD from INSEAD in France. His research interests are corporate finance, corruption, regulation, and corporate governance.

### Newsroom

[michiganross.umich.edu/newsroom](http://michiganross.umich.edu/newsroom)

Check out the latest news about Ross programs, student activities, faculty and staff, and more.

### Ross Thought in Action

[michiganross.umich.edu/rtia](http://michiganross.umich.edu/rtia)

Stay updated on Ross faculty members' latest research, awards, and accomplishments. Sign up to receive email updates.

“This is what we call a wicked big problem; he needs other competent people around him on this. It’s not a one-man show.”

**Lynn Wooten**, associate dean for undergraduate programs and clinical full professor of strategy and management & organizations, on President Obama’s multiple crises.

—*Fortune*,  
Oct. 3, 2014

“They’re smart, they’re hungry, they’re aggressive, they can compete. But the U.S. is a big question mark. ... They don’t have particular expertise (here), and there’s such an entrenched competition, it’ll be hard to reach that level of dominance.”

**Puneet Manchanda**, Isadore and Leon Winkelman Professor of Marketing, on Chinese e-commerce giant Alibaba.

—*Washington Post*,  
Sept. 18, 2014

“Managers micromanage because of a need for control. Decades of studies in psychology have established that people have a deep need for a sense of control in life and business. The irony is that micromanaging provides the manager with a sense of control, but at the same time robs the employee of it. It is no surprise that the number-one reason employees leave their companies is ineffective managers.”

**Scott DeRue**, associate dean for Executive Education and professor of management, on micro-managing.

—*Fast Company*,  
Sept. 8, 2014

“Having positive relationships at work is seen as a major predictor of employee engagement, and that’s a major driver of customer engagement.”

**Jane Dutton**, Robert L. Kahn Distinguished University Professor of Business Administration and Psychology, on employee satisfaction and productivity.

—*The Guardian*,  
June 3, 2014

“Was he brilliant, far-sighted, or gambling? I believe he was gambling a bit — or maybe people are just fearless when they’re ignorant.”

**Xun (Brian) Wu**, Sanford R. Robertson Assistant Professor of Strategy, on Alibaba founder Jack Ma.

—*Los Angeles Times*,  
Sept. 18, 2014

“Although companies invest a lot of money in marketing and branding to differentiate themselves from rival products, brand imitation happens in the U.S.”

**Anocha Aribarg**, associate professor of marketing, on the implications of private label imitation.

—*Japan Times*,  
July 9, 2014

“One of the things you find is a trend of trying to blur this boundary more — part of it’s a generational shift, part of it’s a cultural shift.”

**Jeffrey Sanchez-Burks**, professor of management and organizations, on changing dress code norms.

—*Marketplace*,  
Sept. 19, 2014

# QuoteUnQuote

“No other cue is as potent as a scent-based cue.”

**Aradhna Krishna**, Dwight F. Benton Professor of Marketing, on the power of scent marketing.

—*Globe and Mail* (Toronto),  
Sept. 10, 2014

“Trust your instincts, embrace challenges, and learn from your mistakes. Seek out mentors along the way—in doing so, not only look for people from whom you can learn, but also those who may provide sponsorship. Be willing to work hard for that sponsorship, remembering that mentoring is a two-way street.”

**Cindy A. Schipani**, Merwin H. Waterman Collegiate Professor of Business Administration and professor of business law, on her advice to women graduating from business school.

—*Financial Times*,  
April 7, 2014

“It sounds like a pretty clear-cut conflict of interest. I would think that anyone who uses Amazon reviews would definitely want to know this.”

**David Hess**, associate professor of business law, on a venture capitalist praising a product on Amazon that his company invested in.

—*Wall Street Journal*,  
July 9, 2014

“The biggest predictors of survival for any company are size and age.”

**Stewart Thornhill**, executive director of the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies and professor of business administration, on why startups and small businesses have trouble attracting job candidates.

—*Wall Street Journal*,  
July 9, 2014



# leanwashing

## **HOW DO FOOD AND BEVERAGE COMPANIES TALK ABOUT OBESITY?**

Professor **Aneel Karnani**'s research looks at the 'leanwashing' phenomenon

**T**he medical research is clear: Diet is a significantly bigger factor in obesity than lack of exercise. Yet about half the population doesn't believe that, and it is likely that messaging from food and beverage companies helps shape those mistaken beliefs, according to new research.

Michigan Ross Professor Aneel Karnani and co-authors **Brent McFerran** of Simon Fraser University and **Anirban Mukhopadhyay** of Hong Kong University of Science and Technology analyze the public statements, philanthropy, lobbying, and sponsorships by the food and beverage industry and find evidence of what they call "leanwashing" – perpetuating the notion that lack of exercise is at least as important as diet in causing obesity.

Previous research showed that people who believe exercise is a bigger factor in obesity weigh more than those who believe that diet plays a bigger role.

Karnani and his co-authors argue that food and beverage companies are at least partially responsible for this misperception by deflecting the role of diet.

"It's not that they're deliberately trying to mislead, but the industry says things and creates messages that are conveniently favorable to their business," says Karnani, professor of strategy. "That perpetuates the mistaken lay theory that lack of exercise is the main culprit for obesity when, in fact, it's diet. This really matters, because people who are misinformed about the causes of obesity are heavier than people who are well-informed."

Karnani says it's a delicate argument to make. Exercise, of course, is good for everyone and in general people need more of it. There are multiple benefits to exercise beyond weight loss.

"But in terms of dealing with the crisis of obesity in this country and other countries, it's a red herring," he says.



Obesity has become a serious public health problem. Until 1980, less than 10 percent of the population in industrialized countries was obese. Today, those rates have doubled or tripled, and in some countries two out of three people are projected to be obese within 10 years. Obesity is linked to many chronic health problems and significant costs.

People obtain lay theories about what causes obesity from various sources. About half the population believes that lack of exercise is a key contributor to obesity, despite scientific evidence to the contrary.

Karnani, McFerran, and Mukhopadhyay focused on the public statements, sports marketing, lobbying, and philanthropy of the 10 largest food companies in the world. What they found was consistent messaging that put much of the blame for obesity on lack of exercise, or statements that made the causes of obesity sound complicated. “Balance,” for example, was a common word.

Given the scope of the food industry’s marketing, messaging, lobbying, and sponsorships, it’s not a stretch to suggest it helps reinforce the mistaken lay theories, Karnani says.

“We found four channels of corporate messaging food companies have used to deflect the public discourse from bad diet to exercise and other factors, likely leading to misinformed lay theories of obesity, which in turn is associated with increased actual obesity,” he says. “It’s not the only reason people are misinformed, but you can’t say it has no impact. These companies spend hundreds of millions of dollars on these campaigns. If it has no impact, then you’d have to believe they’re wasting all that money.”

So what’s the solution? Some countries have imposed a sugar tax, similar to a sin tax on tobacco and alcohol, or banned food advertising from children’s programming. But those steps, especially a tax, seem unlikely in the U.S. Instead, an organized public education effort should be launched to spread the word about the effect of diet on obesity.

“Overall, our recommendation is for systematic public health communications to promote the diet theory,” Karnani, McFerran, and Mukhopadhyay write. “This would educate the public that bad diet is the primary cause of obesity and thus help fight the obesity crisis, even while supporting individual choice and responsibility.”

Their paper on the topic is titled “Leanwashing: A Hidden Factor in the Obesity Crisis” and is set for publication in the *California Management Review*.

—TERRY KOSDROSKY

—ILLUSTRATION BY GRETCHEN HEHLO

**Q:**  
What are you thinking about?  
**A LITTLE TOTAL COST  
MODELING CAN IMPROVE  
DECISIONS A LOT**

*Businesses have long known the dangers of awarding work to suppliers based on price alone. Ignoring factors such as quality, delivery time, inspection costs, and sustainability risk will drive up total costs. What purchasing managers want these days is a total cost of ownership model to evaluate suppliers in detail. But many cringe (or worse, balk) at the challenge of creating these models.*

***Damian Beil**, associate professor of technology and operations, says that even a little total cost modeling can go a long way, saving companies time and money.*

**A:** Purchasing and sourcing has really transformed over the past 20 years from a more clerical function to a much more strategic job. There's a lot of money at stake, and supply chains are a lot more complex. Purchasing based solely on price, a gut feel, or relationships has given way to a more analytical approach. What most companies want to use is a total cost of ownership model. The problem is these models don't just drop from the sky. They're hard to construct and take a long time to do. The question we looked at is just how much effort a sourcing manager should exert making such models. What we found is that constructing deep total cost models can be really beneficial, but it doesn't really pay to do them for more than a handful of suppliers in any bid. There's a point of diminishing returns. As long as you apply detailed total cost analyses to a few robust suppliers, you can be less granular with the rest and still produce good results. Any more and you're probably wasting time

and money. This is the first research we're aware of that studies the question of how much depth to go into when constructing total cost models.

#### **WHY IS THIS INTERESTING TO YOU?**

I think sourcing is always a great topic. There is so much money involved, and there are always new challenges now that many companies have suppliers all over the world. As we do total cost of ownership assessments and try to take stock of the many risks and uncertainties involved, it becomes a much more challenging practice. This work was inspired by our interactions with a third-party firm in Europe who does supplier sustainability audits for buyers. They wanted to understand how their information would actually be used by their customers.

#### **WHAT ARE THE PRACTICAL IMPLICATIONS FOR INDUSTRY?**

We're showing companies that making an informed purchasing decision doesn't have to be an all-or-nothing exercise. You shouldn't ignore the reality that purchasing based solely on price is wrong, but at the same time you shouldn't be daunted by the thought of needing to go whole-hog on a deep analysis on every supplier for every bid. It's good news that a little can go a long way.

—INTERVIEWED BY TERRY KOSDROSKY



# DAMIAN BEIL



Q:  
What are you thinking about?  
**A NEW LOOK AT HIGHER  
ORDER BELIEFS**

*All traders have opinions on what a stock is worth, but what if that belief is contrary to the prevailing opinion? Does that affect their trading? Legendary economist John Maynard Keynes first wrote about the importance of forming expectations about what others in the market believe — “higher order beliefs” — in the 1930s. Professor **Lindsey Gallo** is taking a fresh look at how this phenomenon affects capital market behavior in the information age. Gallo, assistant professor of accounting, shows that price doesn't always reflect the fundamentals, and trades don't always reflect what investors really think about a company.*

**A:** We tend to think that more information from a company facilitates agreement among investors, but I've found that's not always the case. When a company has a large number of short-horizon investors, more precise earnings signals can actually cause more disagreement about the stock price. My research has found this in trading volume and option volatility after information releases like earnings reports. What happens is that short-horizon investors become more entrenched in their opinions. Higher order beliefs explain the anomalous trading behavior that follows. For example, two investors may have differing opinions about the firm but it isn't until they observe the prevailing opinion following a disclosure that they disagree on the short-term price. These investors rely on higher order beliefs—for example, positive consensus—to form their expectations on future price.

This overreliance on consensus opinion can help perpetuate asset bubbles, so it's important to quantify and explain this phenomenon. It's not always about the fundamental value of the company and metrics like future cash flows in the short term. It's really about price, and they're not necessarily the same thing.

#### WHY IS THIS INTERESTING TO YOU?

I think it's interesting because people demand information and think more information is always better. But it turns out there are consequences to more information; it can sometimes lead to more disagreement, and we need to think strategically about it. The theory on how higher order beliefs affect markets has grown, but there's less empirical work that shows how these play out with information dynamics.

#### WHAT ARE THE PRACTICAL IMPLICATIONS FOR INDUSTRY?

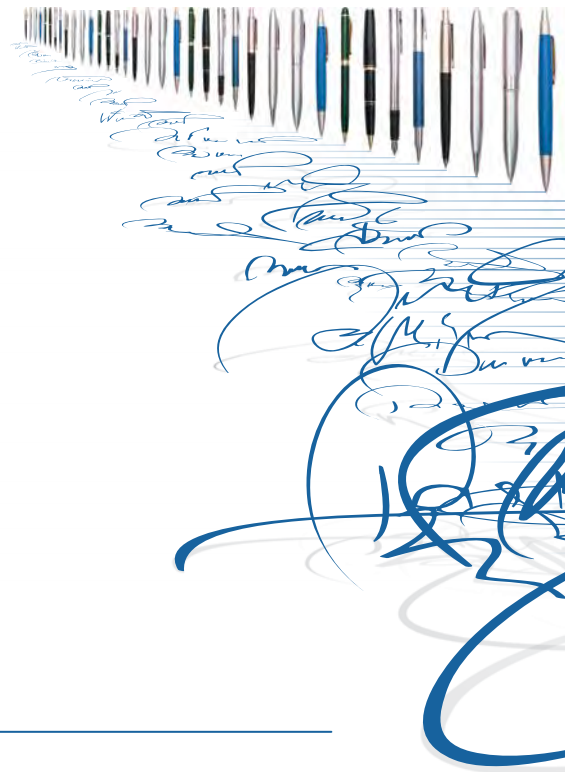
It's really important to consider your investor base when you release information and decide what kind of disclosure you want to make. Short-term investors act very differently than long-term investors, and that could affect whether you want to do something like provide future earnings guidance, which isn't a required disclosure.

—INTERVIEWED BY TERRY KOSDROSKY



# LINDSEY GALLO

# The Rise in Noncompete Clauses



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Their use is growing and getting more restrictive, but it's not the CEOs we should worry about, says Professor **Norm Bishara**.

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The use of noncompete agreements in employment contracts is on the rise, but is that good or bad for competition and innovation? That depends on who's signing them and why, according to research by Michigan Ross Professor Norm Bishara.

His new study reveals trends in CEO contracts over time, and he's surveying average Americans on their employment agreements. The idea is to help inform policy as several states consider changes to their laws covering employee restrictions such as noncompete, nondisclosure, and nonsolicitation clauses.

"We're seeing companies piling on these restrictions in CEO agreements because they have valuable information to protect, and writing them into contracts usually doesn't cost anything," says Bishara, associate professor of business law and business ethics. "CEOs fully know what they're getting into and will give up some future freedom of movement for stability and support, as well as compensation. It's when you get below the CEO or high executive level you start to worry about them because they can be abused, and that can have a chilling effect on employee mobility and related positive benefits like greater innovation."

There's been more speculation than study on trends in employment agreements, and bad information leads to bad policy, Bishara says.

He and co-authors **Randall S. Thomas** of Vanderbilt Law School and **Kenneth J. Martin** of New Mexico State University looked at employment contracts of 500 publicly traded companies. It turns out nearly 80 percent of them contain noncompete agreements, often with a broad geographic range, that typically last one to two years.

The covenants have become more restrictive for CEOs over time with more rights to the company. The longer the term of the contract, the more restrictive the noncompete agreement. That shows companies are willing to make an investment in a CEO but will demand mobility restrictions in return.

Bishara says the facts undermine the narrative that CEOs run roughshod over boards of directors. The research suggests a fair amount of give and take between a board and a newly hired executive.

"Saying that all noncompete agreements are bad for innovation ignores the realities," he says. "Companies risk giving a CEO a big salary and complete knowledge and control over all of their operations. They want



something in return and that fits economic theory about the parties' ability to bargain."

The study, set for publication in the *Vanderbilt Law Review*, is one of the first to uncover the trends in executive employment contracts.

Preliminary results from a survey he's conducting, along with **J.J. Prescott** of U-M Law School and **Evan Starr** at University of Illinois Urbana-Champaign, indicate that average employees aren't as well-armed with knowledge when it comes to noncompete agreements.

While about 31 percent of those surveyed so far have signed one at some point, nearly 90 percent didn't negotiate, and about 48 percent of those people assume the noncompete clause in their contract was not negotiable at all.

These findings begin to raise some interesting policy concerns for states and companies. For instance, a recent push for reform in Massachusetts has recently stalled. California has long banned noncompete agreements outright, but many employees there who may not know the state's policy still end up signing one, even though it would be unenforceable.

"This is where there's an argument for the chilling effect of these agreements," Bishara says. "People don't know what the law is, and that's bad because then these noncompete clauses can be used as a weapon by employers and not to protect legitimate business interests. The good news is that some states are starting to recognize this problem, and are looking at limiting the enforcement of these kinds of agreements, for instance, to high-level executives instead of just banning them outright. Some level of enforcement is important, but we don't want the law in this area to be a blunt instrument. It should be a scalpel."

—TERRY KOSDROSKY





# COMPLETING THE VISION

Construction project will transform the Ross complex into a unified business campus

Project rendering from the northwest.

When the new Ross School of Business building opened in 2009, a \$100 million gift from **Stephen M. Ross, BBA '62**, was the critical gift to create a state-of-the-art home for the school's core functions—teaching and learning. But since then, there has been a sense of unfinished business surrounding other facilities at the school.

“Fundamentally, Steve Ross’ vision from the beginning was a cohesive learning complex that was very engaged with the rest of the University of Michigan community,” says Chief Administrative and Diversity Officer **Al Cotrone**. And now—funded largely by another \$100 million Ross gift—it’s time to bring the rest of the business campus up to the standard set by the Ross building.

Work has already begun, with construction of the \$135 million donor-funded project scheduled to wrap up in August 2016. By then, Cotrone says, “You will see an entire unified complex on this block.”

## NEW LEARNING SPACES

Most of the construction activity will take place in the area of the Kresge Library and the adjoining building along Monroe Mall, variously known as the Electronic

Education and Resources Building, the Computer and Executive Education Building, or simply the “E” Building. That building will come down, with a modern, five-story structure going up in its place—named **Jeff T. Blau Hall** in honor of gifts from **Jeff Blau, BBA '90**. The Kresge building will be completely redone both inside and out.

The two structures will be much more integrated to function as one, although they will retain separate names. The single, long, disjointed corridor of the past will be replaced by a cohesive east/west as well as a north/south hallway, creating a much more open and collaborative design.

“The center of gravity for our community is still and will remain the Ross building,” says Director of Operations **Charles Amyx**. But the new construction will welcome a lot more activity: “We’re creating study areas, collaboration areas, space for centers and programs, and we’re tying these buildings together in such a way that it is seamless.”

The new building will feature several new classrooms, and on the lower level, a regrading project will mean classroom windows will receive light from the Monroe Mall to the north while common areas outside those classrooms will look out into the school’s central courtyard. The new building will also feature collaborative spaces designed to foster outside-of-class interaction.



## SUPPORT FOR THE MISSION

The Ross community, and its space needs, goes well beyond classrooms and learning spaces. And the new construction serves many of these important community needs.

A new entrance on the east side of the new building will create a more welcoming feeling to the Ross complex from the rest of Central Campus—as well as a much improved experience for recruiters, many of whom are alumni. A “Corner Commons” off East University Avenue and Monroe Mall, described as a “mini Winter Garden,” will feature a multipurpose space with a large display wall for hosting a variety of audiences, both internal and external.

Admissions offices will be on the first floor and much more visible—“They’ll be front and center,” Cotrone says. The second floor will feature a reimagined Ross Career Services office, along with space for the offices of the degree programs, which will also enjoy greater accessibility for students. The third floor will include a “center for centers”—offices for most of the school’s focused initiatives including the Erb Institute, the Center for Positive Organizations, and Ross Global Initiatives.

The fourth floor will house a variety of support operations including computing services, human resources, finance, operations, and development and alumni relations. Executive Education classrooms on the fifth floor will be able to double as a Colloquium-like space. In addition, new exterior finishes on the Executive Residence building and Wylie Hall will help bring a unified look to the entire complex.

## A REIMAGINED LIBRARY

Finally, in keeping ahead of the curve in research and study, enhanced digital resources will take place within the Kresge Library. Information as it is currently created is largely electronic, and libraries are adapting.

The new Kresge Library Services will be located on the fourth floor of the Kresge Building, with most of the space to be used for staff to consult with students and faculty about obtaining relevant electronic resources and a small collection of print materials that are not available electronically. Services like reference chat and email reference will continue, and a print pickup location is planned so students can request books from throughout the U-M library system.

The construction project is being funded entirely by donations. It’s part of the larger, \$400 million “Victors For Michigan: Victory For Ross” campaign, which also includes support for student scholarships, programs, and faculty.

—BOB NEEDHAM



Top: View from the southeast. Bottom: View from the northeast, with Jeff T. Blau Hall in the foreground.

# ***A Business Prescription for Healthcare***

*Ross faculty, alumni, and students  
work across boundaries to help  
shape the future of the field*





*A large, fast-growing field?*



**Check.**

*Complex problems?*



**Check.**

*Different solutions needed for different parts of the world?*



**Check.**

Sounds like a classic business case, so it should be no surprise that business rigor is increasingly finding its way into the healthcare field, which historically has been dominated by doctors, nurses, and policy experts. Rapid changes facing U.S. healthcare providers and great need in developing countries for efficient basic care has some of the greatest minds in the world working on finding answers.

How big are the stakes? Healthcare spending in the U.S. reached \$2.9 trillion in 2013, about 17.2 percent of GDP, and is expected to reach \$5.2 billion by 2023, or 19.3 of GDP, according to the Centers for Medicare and Medicaid Services. The healthcare and social assistance sectors are projected to add five million jobs by 2022, according to the Bureau of Labor Statistics.

Meanwhile, people in developing countries continue to suffer from preventable, curable diseases.

Michigan Ross' mission makes it an ideal place for faculty, students, and alumni to shape the future of this dynamic sector. A culture of reaching across boundaries to solve complex problems has produced alumni leading dramatic change, faculty discovering new answers to mind-boggling quandaries, and students with the passion to make a difference.

“There are very few universities that have a top business school, a top engineering school, a top medical school, and a top school of public health,” says **Wally Hopp**, senior associate dean for faculty and research and professor of technology and operations. “And there are few places where students and faculty from these areas get together and collaborate. We are that university.”

## ***Potential for Impact***

The size and scope of healthcare, plus the human need, make it a ripe topic for business research, Hopp says.

*“What motivates us as researchers is the potential for impact,” he says.*

*“It’s a grand business challenge, which is interesting itself, but even that pales in comparison to the ability to save lives and have an enormous impact on the economy.”*

Hopp and Professor **Bill Lovejoy** have worked with colleagues at University of Michigan Hospital to bring factory efficiency to operating rooms and clinics. Together they wrote the book *Hospital Operations: Principles of High Efficiency Health Care*.

Hopp also is working with Professor **Jun Li** on outcome analyses of various types of cardiac surgery. Their research suggests that many patients are going to the wrong places for care, and are suffering worse outcomes as a result.

*“The data is there,” Hopp says, “and with the right analysis tools, insurers, doctors, and patients can all make better decisions that will result in higher quality care at a lower cost to society.”*

Professor **Ravi Anupindi** also has applied his supply chain expertise in healthcare, but with a focus on how best to deliver care in developing countries that are resource constrained. He also teaches a course with **Prashant Yadav**, director of healthcare research at the William Davidson Institute (WDI), Innovations in Global Health Delivery.

The healthcare research practice at WDI is recognized by heads of state, policy makers, and funders as a center of excellence in global health supply chains and pharmaceutical markets in emerging economies. It has more than \$5 million in grant funding for healthcare supply chain work, with much of the focus on global health delivery — preventing communicable diseases like HIV, malaria, and TB.

“In public health, there is a growing realization that better supply chain management can improve health outcomes,” says Anupindi, professor of technology and operations. “Working in the base-of-the-pyramid space, I saw that healthcare delivery was a large unmet need in developing countries and principles in operations and supply chain could be used to improve product and service delivery — both in the private and public sectors.”

Professor **Achyuta Adhvaryu** also looks at ways to improve health in developing countries, but from a business model and policy perspective. That’s because governments in many low-income countries have limited resources and rely on the private sector for healthcare.

These regions have nuances not well understood in the developed world. For example, incomes in rural agricultural areas vary according to the harvest. That’s something providers need to take into consideration when they reach out to them.

“There’s a way to harness the power of simple business models to meet dueling objectives — improving the health of a population and making a profit,” says Adhvaryu, professor of business economics and public policy.

He’s also exploring the link between early childhood shocks — malnutrition and disease — and later-life consequences. He’s examining ways governments and companies can inexpensively provide nutrients or supplements to the young to improve their lifelong health and reduce the long-term burden on medical providers.

Professors like **Paul Clyde** are taking an action-based approach to healthcare in developing countries. He’s had student teams work on building a self-sustaining hospital in rural Uganda as part of the Living Business Model Initiative. The idea is to find a business model that will allow it to support itself and provide much-needed basic care.

One of the latest healthcare concerns in the U.S. is how the Affordable Care Act (ACA) will change the way insurers and providers do business, and how consumers make choices. **Professor Thomas Buchmueller** worked on implementing the ACA as a member of the President’s Council of Economic Advisers. He and Professor **Sarah Miller** focus on the policy and customer side and spend a lot of time trying to answer questions about the future.

Their recent research looked at how doctors and clinics could deal with growing demand as more Americans become insured through the ACA. Their paper showed how dentists took on more patients

by delegating more work to hygienists and other professionals—applicable lessons for physicians who work with nurses and physician assistants.

“There are so many ways healthcare markets differ from the standard textbook model of perfect competition,” Buchmueller says. “Solutions to problems in this area are never easy or obvious. But can you think of another industry where making a positive social impact is so central to a firm’s strategy?”

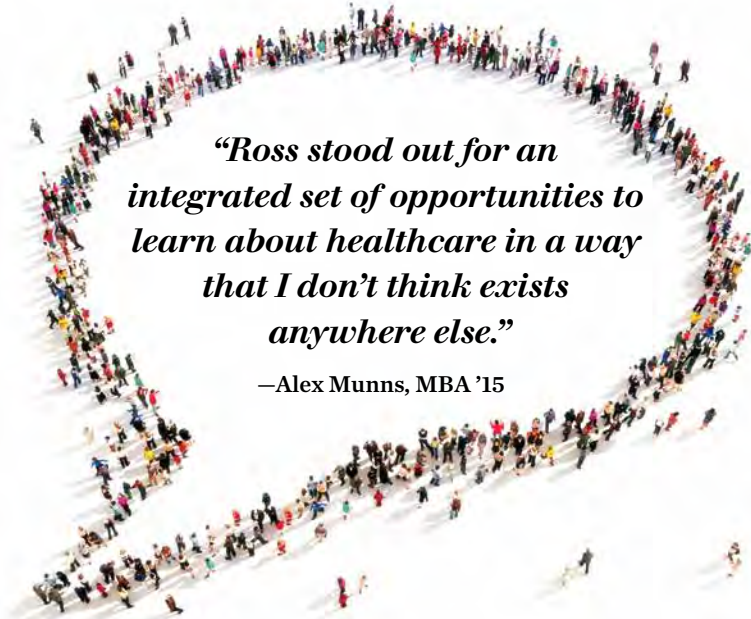
## *An Ideal Fit*

*Students interested in the intersection of healthcare and business have found an ideal school in Ross, where they can tailor their experiences to their interests.*

“There’s a really great community of students at Ross who are passionate about working in healthcare,” says **Elizabeth Goheen, MBA ’15**. “We’re able to come together and build off our different backgrounds to learn from each other as we all strive to become leaders in the healthcare industry.”

The Executive MBA Program has proven attractive to healthcare leaders who find they would benefit from a strategy-focused business education. Fully 25 percent of current students in the EMBA Program come from the healthcare or biotech/pharma fields. Admissions representatives report steadily growing interest in the program from physicians; the most recent incoming class includes 17 MDs among its 104 members.

Traditional MBA students also find Ross to be a perfect place to pursue healthcare-related careers, thanks to a unique combination of classroom learning, critical hands-on projects, and access to related top schools at U-M.



*“Ross stood out for an integrated set of opportunities to learn about healthcare in a way that I don’t think exists anywhere else.”*

—Alex Munns, MBA ’15

Those opportunities include:

- **The Healthcare and Life Science Club** gives its several hundred members the chance to meet like-minded students, network, and participate in educational sessions. The club also sponsors an annual symposium; this fall’s event focused on “Embracing Innovation: Stretching the Contours of Care in an Age of Reform.” Networking with 17 sponsor companies, two keynote speakers, and panel discussions helped show students the career options available to them while also exploring the quickly changing landscape of the industry.
- Working with the HLS Club, this year the Full-Time MBA Program is piloting a **Healthcare Management Concentration**. Students can choose from a menu of healthcare-related classes at Ross and several other U-M schools to fulfill its requirements.
- **Summer internships and the Ross Multidisciplinary Action Projects course** offer students the chance to experience healthcare and business in the real world, often with companies doing leading-edge work in the field. This year, 15 percent of all MAPs were healthcare related, including one team that worked on supply chain issues for a company distributing medicines to several African countries.
- **Students have access to classes and resources** at several other U-M schools relevant to healthcare—all of them top-ranked—including medicine, public health, public policy, information, and law.



“I don’t think that there is any other school that combines all of those things in such a strong way as Michigan,” Munns says. “I’m taking a class right now in Biology of Cancer because that’s my particular area of interest, because I want to bring life-saving and life-extending therapies to market. Having a mechanistic understanding of cancer will make me so much better at my job, and I couldn’t do that everywhere.”

Both Goheen and Munns are taking full advantage of their opportunities. While Goheen’s academic background is in science and Munns’ is in liberal arts, they are both pursuing the Healthcare Management Concentration, they both helped organize the symposium, and both sought out healthcare-related internships and MAPs.

Goheen’s MAP took her to a startup working on a software tool to guide anesthesiologists toward improved patient safety and outcomes. Munns’ project at the U-M Life Sciences Institute involved evaluating the potential of a new cancer drug.

“Coming into Ross, I was hoping to get all of these experiences, and I think the experiences that I’ve had so far have exceeded my expectations,” Goheen says.

Meanwhile, Ross’ Executive Education programs have also proven popular with those working in healthcare and related fields but whose educational needs may be more targeted. Last year, 15 percent of the participants in Executive Education open and custom programs came from a healthcare field.

“Today’s healthcare environment is fast-changing and complex, and improving patient care requires leaders who can align people around a shared vision, influence a diverse set of stakeholders, and build a culture of innovation and adaptability,” says **Scott DeRue**, Ross’ new associate dean for Executive Education. “Our offerings equip executives with the skills and tools required to lead healthcare organizations effectively.”



## *Alumni on the Front Lines*

*The medical field is under increasing pressure to control costs, improve care, modernize records, and produce better products for less. In short, change.*

That’s never easy, especially in a field where the lead professionals, doctors, are used to working independently and concentrating on their specialty. While that focus is necessary, today’s problems also require a fresh look and incorporating business ideas and practices from other fields, says **Nancy Dunlap, MBA ’08** and dean of the University of Virginia School of Medicine.

“This is the first time in recent history where our three missions—research, education, and clinical care—are all being compressed at the same time,” she says. “We need to learn more from other fields. We’re immersed in our discipline, and we need to be, but we’re often unaware there are different ways to do things. There’s a lot of fear in medicine right now and learning from others, especially from business, keeps you from being frightened.”

Dunlap is working with others to build a more team-based, problem-solving approach to medical education. Virginia medical students are partnering with nursing and pharmacology students to solve case-based problems, a shift from the more lecture-oriented tradition.

On the administration side, her school also streamlined the hiring process for faculty using ideas from lean production systems. What used to take 75 days now takes 20.

The idea is that adopting best practices from other industries—something she was exposed to in the Ross Executive MBA Program—leads to graduates who take a new approach to care.

“We need to learn how to transform healthcare in a way that’s affordable for patients, insurers, and providers and improve the quality,” she says. “What we’re doing now isn’t working.”

**Michael Waldrum, MBA ’08**, also uses every bit of the business acumen he acquired at Ross to drive a monumental change—leading the enormous merger between the University of Arizona Health Network and Banner Health. The deal is expected to generate \$1 billion in new capital and academic investments.

What’s driving that deal? A rapidly changing industry that’s moving from a fee-for-service model to one where providers are reimbursed on value and outcomes.

“Most health systems grew up and organized themselves around the volume model,” says Waldrum, CEO of University of Arizona Health Network. “Now we’re shifting to a value-based environment. Hospitals and health systems are bearing more of the risk, so you need scale and a larger population to spread that risk out. You see large health systems that in the past wouldn’t even have talked to each other now talking about how to organize themselves to deal with market pressures.”

He also thinks the medical profession needs to play catch-up, fast, in applying statistical analysis to improve results. He thinks the financial industry is 20 years ahead on that score.

“Having medical practices up on e-records, using that data to create analytics, help manage patient populations, and drive value is hard at first,” he says. “But it’s where we have to move as an industry.”

**Barry Rosenberg, MD/MBA ’03**, already sees that sophistication from health systems, and the effect it’s having on his clients—medical device makers and hospitals.

“The medtech industry is transforming from relationship selling to individual physicians to solution selling to large hospital systems—and they’re very savvy purchasers,” says Rosenberg, partner and managing director at Boston Consulting Group. “You can’t just sell product features and benefits in a stent or CT scanner. You have to articulate value to the health system. That affects everything the industry does—R&D, marketing, and manufacturing.”

Rosenberg, a surgeon by trade, was part of a BCG team that implemented the WHO safe surgery checklist for a large health system. It’s similar to a pilot’s checklist to reduce preflight errors. The checklist has been shown by Dr. Atul Gawande to reduce major surgical complications by up to 30 percent.

That project also illuminated how health care incentives and payment models need to evolve.

“As a surgeon, I lose sleep over complications,” he says. “We worked with our hospital client to reduce complications by using the checklist. But under today’s largely fee-for-service reimbursement system, the hospital’s reward for that improvement in surgical quality is a reduction in profits of several thousand dollars per case. How do you solve that misalignment of incentives? You need real payment reform where lower complication rates are rewarded.”

*The good news, he says, is that the medical field sees a need for business expertise, and the role for the physician executive.*

“Every year we’re seeing greater demand for people who understand both the clinical side and the business side,” Rosenberg says. “For a long time, Ross has seen the value in interdisciplinary work and research, and now you see a lot more of that kind of collaboration in the medical field. It is truly an exciting time to work at the intersection of business and healthcare.”

—TERRY KOSDROSKY AND BOB NEEDHAM

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# MARTIN NANCE

## ***The relationship Martin Nance, MBA '12, has with Gatorade is... unusual.***

For Nance — who spent time as an NFL wide receiver for the Buffalo Bills, the Minnesota Vikings, and the Pittsburgh Steelers before coming to Ross for his MBA — Gatorade was a part of life. He not only drank it but was drenched in it when the Steelers won Super Bowl XLIII in 2009.

Now he works as marketing innovation manager for the \$4.8 billion beverage company, where he has truly taken his business training and sports background to the next level.

“My NFL experience is very helpful,” he says. “But athletes are constantly changing their likes and dislikes, and as a marketer I need to understand who our consumer is today. What do they like today? I can’t only rely on my past experiences.”

Nance’s successful merging of those experiences means he’s holding onto a Ross education, a Super Bowl ring, and a sizable portion of the worldwide sports drink market. But how would he handle our 20 Questions?





1. **What's a book that you read recently?**  
As a relatively new Chicago resident, I just went back and read *The Jungle* again.
2. **What's most played on your iPod?**  
Adele and Drake.
3. **Most-cherished Ross experience?**  
Winning MBA games (twice!) alongside my amazing Section 2 classmates. Not because of the sports or even the competition, but because of how it brought us all together. I'm sure we'll all cherish that memory because of the relationships it helped to forge.
4. **What's the most thrilling/adventurous thing you've ever done?**  
I once ate a live praying mantis... and I've also won a Super Bowl. It's a toss-up.
5. **What is your guilty pleasure?**  
Gummy bears.
6. **Who is your personal hero? And why?**  
My father. He and my mom have always been my biggest supporters. Since I was a kid, my father taught me to believe in myself. Even when I doubted myself, he helped convince me I could accomplish my goals. His positive approach to nearly every situation is something I will always take with me.
7. **Describe your first job.**  
My first job was supervising a "bounce house" for kids. I was responsible for the setup, supervising the kids, and the cleanup.
8. **Favorite person to follow on Twitter (and why)?**  
Adam Schefter (@adamschefter) — He's one of the most informed sports reporters in the biz. And he's a Michigan grad!
9. **The one thing you learned in business school that you'll never forget is...?**  
To not accept the surface answer. Always dig deeper to better understand the situation, the consumer, or the business problem. Address the core issue.
10. **First website you access in the morning?**  
Instagram — just being honest.
11. **Favorite line from a movie?**  
"What we do in life echoes in eternity." — *Gladiator*.
12. **Three people, living or dead, you'd have over for dinner?**  
Nelson Mandela, Martin Luther King, and Jesus Christ.
13. **Best trophy or award you've ever won?**  
The Lombardi Trophy.
14. **What did you want to be when you were a kid?**  
Fighter pilot.
15. **Pet peeve?**  
People consumed with fear.
16. **Favorite sport to watch?**  
All sports. I can't identify a favorite child!
17. **Where do you want to retire?**  
Cape Town, South Africa.
18. **What are you afraid of?**  
Food poisoning.
19. **What job would you hate to have?**  
Box office sales. I want to be inside where the action is.
20. **Must-have app on your phone?**  
GroupMe and Uber.
21. **Dare we ask... Favorite drink?**  
**GATORADE!**

—CHRISTOPHER ANKNEY

—PHOTO BY TORI SOPER

*You can follow Martin at @MartinNance*

# stephen swad

## BREAKING DOWN BARRIERS IN EDUCATION TECHNOLOGY

When **Stephen Swad, BBA '83**, was appointed president and chief executive officer of Rosetta Stone in 2012, he came in with a vision in mind. The company was the world's leading language-learning provider, but he wanted to go beyond that realm and maneuver into a new landscape: education technology.

In the age of social media and globalization, education technology has become more popular and vital in many sectors, including business. Under Swad's leadership, Rosetta Stone has become the worldwide leader in technology-based learning products, providing language and literacy solutions designed for everyday consumers, educators, students, and businesses.

Headquartered in Arlington, Va., Rosetta Stone was founded in 1992 as a means for people to learn an additional language. Today, with the help of mobile apps, it offers courses in more than 30 languages, from Mandarin to Spanish and Swahili. The company has also expanded its reach to untapped markets including the Middle East and Asia.

Prior to joining Rosetta Stone as chief financial officer in 2010, Swad was CFO at Fannie Mae and AOL, the deputy chief accountant at the U.S. Securities and Exchange Commission, and a partner at KPMG. "I like to put my career in three buckets: advisory, public service, and corporate management.

My background gives me a unique perspective, and each bucket helped influence my judgment," he says.

A huge factor in Rosetta Stone's successful transition into education technology was the transformation of its business strategy. In 2013, the company broadened its educational scope by acquiring Livemocha, Lexia Learning, Vivity Labs, and Tell Me More, companies with technology-based learning platforms not only in language, but also literacy and brain fitness.

In August, Rosetta Stone won three Tabby Awards for its iPad and Android apps in language-learning and brain fitness. The Tabby Awards are currently the only global competition that recognizes companies' top consumer tablet applications. A month later, Rosetta Stone created a partnership with Aceso Corporation to help launch Aceso University, a platform that brings language-learning solutions to more than 400,000 small business owners and entrepreneurs globally. Aceso University will provide a curriculum that will improve participants' business acumen, including courses in internet marketing, business fundamentals, and language training. These examples illustrate how far Rosetta Stone has come from its trademark CD-ROMs and traditional means of communication to become a global leader in this growing industry.

"We're making significant strides and strategic moves. Our vision has expanded beyond just language learning, and my job is setting the vision for a powerful company that will grow and innovate well into the future. We're invested in the business-to-business side of the company—where we are more focused on delivering products to schools and companies—and we're going to continue that," he says. "We've also opened new territory in Brazil and China, where there is a high demand to learn English. In terms of technology, we've changed the company from one

focused on language learning on CD-ROMs to one that is emphasizing cloud-based and mobile learning solutions."

Swad credits his BBA from Ross with providing him the foundation to compete in the

business world. "There were three key areas where my Michigan BBA helped me. One was in leadership and organizational behavior, two was in developing general management and operational capabilities, and the third was in the core disciplines of business, where my education provided me with good, solid financial acumen."

“  
OUR VISION  
HAS EXPANDED  
BEYOND JUST  
LANGUAGE  
LEARNING  
”

Above all, Swad believes his company and its products are making a positive change in the world by using technology to help people learn in ways that break down global and cultural boundaries. Rosetta Stone wants to provide effective learning solutions to “anyone, anywhere, anytime”—a philosophy that informs all aspects of the company’s business and marketing decisions. Swad also adds that as the education technology sector continues to thrive and more opportunities come to fruition, business school students should consider entering the relatively new field. “Education technology is a growing industry and is currently going through some significant changes. It’s exciting and rewarding to lead that change. I would encourage students to enter the space and influence where it’s going as well,” he says.

Swad’s goal is to break down the communication blocks that often negatively impact the way people and businesses interact. Whether it’s through a tablet or smartphone, Swad sees a very large, globalized society becoming smaller through language-learning and literacy training. He understands one of the ways to do this is Rosetta Stone’s revamped business model. “If everyone learned one more language, the world would be a better place and barriers would be removed,” he says. And Swad practices what he preaches—he’s currently learning Spanish.

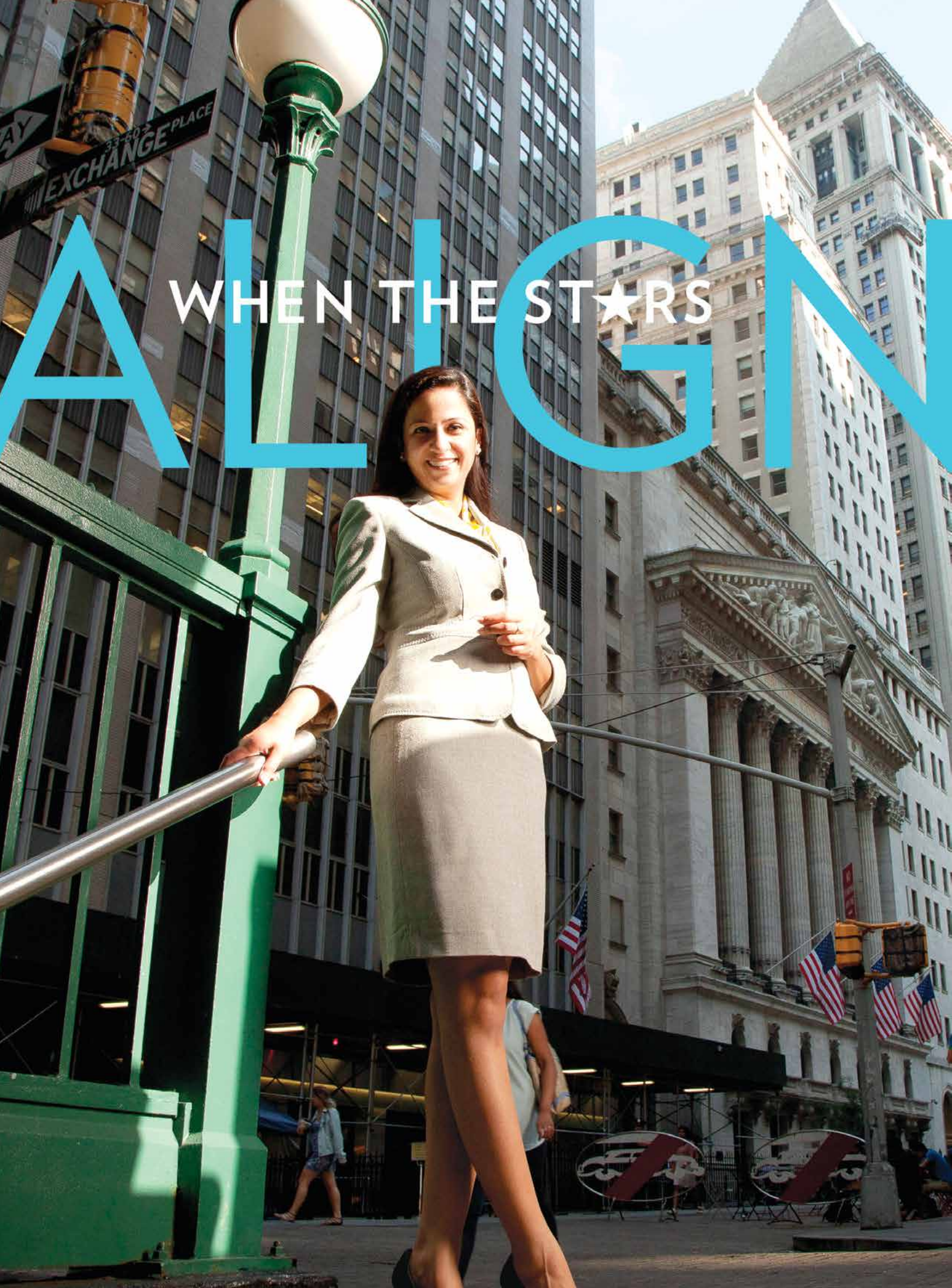
—BRITTANY SMITH

—PHOTO BY MIKE MORGAN



STEPHEN SWAD'S TOP FIVE TRENDS  
IN EDUCATION TECHNOLOGY  
ROSSDIVIDEND.COM





# ALIGN

WHEN THE STARS



## From an apparel startup in Pakistan to Wall Street, the CEO of Aligned Independent Advisors finds strength in each step of the journey.

### SHAMA ZEHRA, MBA '07,

worked at the most prestigious firms on Wall Street and has degrees from two of the top business schools in the world. But the entrepreneurial spirit that filled her when she launched an apparel company from her home never really left.

She merged her love of financial management and entrepreneurship by founding New York-based Aligned Independent Advisors, which offers investment and wealth-management services for high-net-worth individuals, family offices, and small institutions. Aligned's securities are offered through Aegis Capital, which is a member of Finra.

Getting the boutique firm off the ground required every bit of knowledge she picked up working at Goldman Sachs, Morgan Stanley, and the fashion business she ran in Pakistan.

"Hardships you go through in life make you stronger," says Zehra, CEO of Aligned. "I was one of the youngest female entrepreneurs in Pakistan, and that wasn't easy. Being a woman in finance and banking hasn't been easy, either. But there were a lot of opportunities along the way, and if I didn't get one I worked harder until I got it."

After working in wealth management at Goldman Sachs and Morgan Stanley, Zehra wanted to manage investments for clients a little differently. The idea of Aligned is to manage investments for high-net-worth clients as a fully independent advisor.

Founding Aligned is the culmination of a career that started with not much more than an idea and parental encouragement—a clothing business Zehra founded with her mother and sister. Being a woman-owned business in Pakistan came with several obstacles to overcome, but the business grew from the home into a factory, outlet store, and customers all over the world.

"We ran up against some barriers, being a woman-owned business," she says. "But I had a brave mother who was very encouraging. I couldn't be where I am now without that."

After selling the clothing business in 1994 and flirting with becoming a pilot, Zehra went into banking in 1995, eventually landing at Standard Chartered Pakistan, where she made her debut in wealth management and rose to the top of the country's personal wealth advisors list. She also contributed to other retail banking businesses including credit cards and mobile banking, and helped launch IVR (interactive voice response), customer service walk-in centers, and the first frequent flyer credit card.

"It was very entrepreneurial, even though I was working for a big bank," she says. "There were a lot of opportunities to develop new products, and my background in launching and growing a business came in handy."

Zehra came to Michigan Ross in 2005, adding an MBA to her degree from IBA Karachi. The team-oriented, action-based environment suited her background and personality.

Soon after graduation, Zehra had a front-row seat to the financial horror show of the 2008 meltdown while at Morgan Stanley. Venerable Lehman Brothers slid into bankruptcy seemingly overnight, and nobody knew where all the shoes would drop.

"I remember my legs were shaking as I looked at the crashing markets," she says. "It was stressful for everyone. I was also stressed particularly because my visa to stay in the U.S. at the time depended on my employment and Morgan Stanley surviving." Fortunately, the bank survived.

Zehra later moved on to the private wealth-management practice at Goldman Sachs. There she learned the value of training—a critical element in building the team at Aligned.

"It's part of the culture at Goldman," she says. "They do everything to help you succeed and really believe in developing people."

Besides getting the new firm off the ground, Zehra sees another alignment with her interests in the future: creating a support program for women in financial services. She wants to encourage women in finance and business the way her mother encouraged her.

"Women in this business need more mentorship, as it's so male dominated," Zehra says. "I had my mother's example, which was important for me. If I can do it in a country where inequality was much more overt, you can, too."

—TERRY KOSDRSKY

—PHOTO BY BUCK ENNIS/CRAIN COMMUNICATIONS

# ALUMNI *activities*



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**1: NEW YORK** (Left to right) Kim Carter, MBA '13; Yasmin Madraswala, MBA '13; Maggie Geiger, MBA '13; and Julia Ivanova, MBA '12; at the Ross Alumni Club of New York Michigan Football Watch Party.

**2: NEW YORK** Admissions and alumni volunteers at an MBA informational session. (from left to right) Jon Wood, MBA '14; Albert Shiue, MBA '14; Mike Nucatola, MBA '13; Susan Williamson, MBA '14; Ling Yuan, MBA '13; Karthik Raman, MBA '14; Soojin Kwon, admissions director, MBA '99; Cecil Shephard, MBA '00; Caroline Hill, MBA '06; Lemu Coker, MBA '13; Wanda Vides, MBA '11; Zoil Li, MBA '14; Heather Byrne, FT MBA managing director; Madhumita Iyengar, MBA '14; Li Ziong, MBA '14.

**3: NEW YORK** Alumni gather for the Ross Alumni Club of New York Michigan Football Watch Party.

**4: SANTIAGO** Vivienne Edwards, MBA '10 (4th from left); Andrew Beauchamp, MBA '00 (5th from left); and Michael Corcoran (7th from left) join interns, fall candidates and incoming students for a welcoming event.

**5: SANTIAGO** Danilo Rodrigues, MBA '10; Bernardo Dominichetti, MBA '13; and Andres Bogolasky, MBA '11; help Ross staff member Diana Economy (in yellow) facilitate an MBA Information Session.

**6: SANTIAGO** Alumni and their families gather for the club's inaugural Michigan Day in Santiago, Chile.

**7: LIMA** Claudia Tamashiro, MBA '10; Shila Arias, MBA '12; Olga Egorova, MBA '13; Orson Kerrigan, MBA '13; Roger Henriquez, MBA '12; and Christian Rodriguez, MBA '11; hang out during the Ross Alumni Reunion.

**8: LIMA** Luis Moreno, MBA '07; Wilfredo Durand, MBA '07; and Fernando Fort, MBA '96; at the Ross Alumni Reunion.

**9: LIMA** Salomon Spak, MBA '10; Jorge Luis Rodriguez, MBA '10; and Ximena Leon, MBA '06; at the Ross Alumni Reunion.

**10: LIMA** María del Carmen Jaramillo, MBA '03; Wilfredo Durand, MBA '07; and Victor Gonzalez-Maertens, MBA '03; at the Ross Alumni Reunion.

**11: HONG KONG** (standing from left to right) Stephen Lo, MBA '01; Siew-Wee Peh, MBA '94; Carrington Renfield-Miller, MBA '11; Carla Freitas, MBA '11; Ellie Chang, MBA '12; Rosy Mei Li, exchange '11; (sitting from left to right) Edward Sun, MBA '03; Dr. Linda Lim, Ross professor, PhD '78; and Herianto Pribadi, MBA '99; at the U-M Pan-Asian Alumni Reunion breakfast.

**12: HONG KONG** (Starting with second from left to right) Kelvin Lim, MBA '09; Derek Yan, MBA '04; Albert Yau, MBA '04; Shilpak Mahadkar, MBA '04; Choon-Peng Ng, MBA '04; (Sitting left to right) Siew-Wee Peh, MBA '94; Eric Chiang, MBA '05; Linda Lim, PhD '78; and Patrick Cranley, MBA '88 (last on the right) at the U-M Pan-Asian Alumni Reunion banquet dinner.





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**13: MILAN** Bruno Piperno, MBA '85 (front left); Sofia Piperno, exchange (middle); and Leone Hassan, exchange MBA (end, right) meet with students during their study abroad program in Rome, Italy.

**14: MILAN** Riccardo Cesarei, MBA '98; Bruno Piperno, MBA '85; Sofia Piperno, exchange MBA; Leone Hassan, exchange MBA; Alberto Rovero, MBA '00; and other attendees at an alumni dinner hosted in Milan, Italy.

**15: SEOUL** Alumni enjoying Michigan Night in Seoul, South Korea.

**16: TOKYO** Daizo Imai, MBA '96; Nobuyuki Takahashi, MBA '96; Hiroaki Makino, MBA '96; Akeo Fujikura, MBA '96; and Makoto Takemiya, MBA '96; at the Class of 1996's annual party.

**17: TOKYO** Alumni and admits for the Class of 2016 at the networking and congrats party in Tokyo.

**18: TOKYO** Daizo Imai, MBA '96; Makoto Ariga, MBA '93; Ken Takeshi Muro, MBA '14; Yoshiyuki Honda, MBA '12; Hiroko Mizuno, MBA '07; Kiyoshi Nakagawa, MBA '14; Trang Pham Yazu, MBA '11; Ryo Yazu, MBA '11; Mitsuyuki Katakame, MBA '05; Keiko Oshimo, MBA '14; and Takahiro Kikutake, MBA '12; at the Class of 2014's welcome back party in Kanagawa, Japan.

**19: TOKYO** Ken Takeshi Muro, MBA '14; Shujiro Toyofuku, MBA '12; Keiko Oshimo, MBA '14; Hiroko Mizuno, MBA '07; Makoto Ariga, MBA '13; Miyu Nishikawa, MBA '13; and Kotomi Yasuda, MBA '14; at the Michigan Ross booth during an MBA fair in Tokyo.

**20: TOKYO** Alumni gather for the Study Session and Welcome Back Party for Global MBA Class of 2014 event in Tokyo.

**21: TOKYO** Alumni gather for the club's annual meeting featuring keynote lecture by Ross Professor Francine Lafontaine.

**22: WASHINGTON, DC** Cyrus Nezhad, MBA '99; Shannon Ross, MBA '09; and Mark Ellis, MBA '11; at the Young Alum & Intern Reception.

**23: WASHINGTON, DC** Laura Hoxie, MBA '13; Andrew Horowitz, MBA '14; Peter Hugick, MBA '14; and Cristina Calzadilla, MBA '13; mingle at the 2014 Young Alum & Intern Reception.

**24: FRANKFURT** (From left to right) Dr. Andreas Kirschkamp, exchange '00; Marius Klages; Gabriel Thomalla; Radbaud Vaessen, MBA '01; Dr. Florian Muller; Lauren Knoll; Michael Wolff, MBA '92; Dr. Thorsten Seehauer, exchange '04; Dr. Christin Merz-Bode; Gerald Schonbacher; and Gabriel Hopmeier at the Ross Alumni Club meeting in Frankfurt, Germany.



# Class Notes

**Virginia C. Havens, BBA '47**, an early woman pioneer of the Michigan Business School and a retired educator who spent 20 years with Cleveland Public Schools, is a highly active volunteer in her community. She is a member of the Cleveland Skating Club, The Nature Conservancy, American Civil Liberties Union, Southern Poverty Law Center, Cleveland Museum of Art, and Dike 14 Nature Preserve. Additionally, she has spent over 20 years providing employment counseling to ex-offenders with Towards Employment, is a board member at the Bratenahl Land Conservancy, and is chair of Judson Manor House Committee, where she lives with her husband, George, of 66 years.



**Dennis Feld, BBA '61**, received a 50-year service award from the New Mexico State Bar Association at the organization's 128th birthday celebration in April. He has practiced law in Rio Rancho and Albuquerque for over 22 years, preceded by a 20-year career in Illinois, focusing on areas such as bankruptcy, personal injury, and taxation.

**Mark Harris, BBA '77**, ran as the Democratic candidate in the 2014 congressional election early this November, seeking the seat as representative for Wisconsin's 6th District. Also a graduate of U-M Law School, he currently serves as Winnebago County Executive, a role he has held since 2005.

**Chris Afendoulis, BBA '84**, defeated six opponents in the Republican primary election for the 73rd District of the Michigan House of Representatives in August. The Grand Rapids-based CPA was the Republican candidate on the ballot earlier this November.

**Mark Duchovic, MBA '84**, was appointed vice president, finance director, of North Asia for Brown-Forman Corp. in January. He will relocate to Hong Kong to lead the North Asia finance organization in providing critical business insights and excellent financial stewardship. A key contributor to the spirits and wine company since joining in 2003, Mark has held a number of roles in brand, region, and corporate functions, most recently as vice president, director of corporate development.

**Kevin Christ, MBA '85**, was announced in May as one of *Consulting Magazine's* Top 25 Consultants of 2014. This award recognizes outstanding leadership, service, and results, and it follows Kevin's nearly 30-year career leading technology-enabled business initiatives. He is currently a senior director with Alvarez & Marsal Performance Improvement, where he specializes in implemented sustainable change through IT application.



**Ira Shaughnessy, MBA '13** and **Lauren (Foukes) Shaughnessy, BBA '06/MBA '12**, walked down the aisle July 19 in Brookfield, Vt., celebrating their marriage accompanied with alumni from Ross and elsewhere around the University of Michigan. Ira is a sustainability manager at the Dow Chemical Group, and Lauren is a consultant at the Bridgespan Group.

**Sarah (Ingersoll) Luben, LSA, '06; Leslie Patton, BBA, '06; Gina Tsai, BBA, '06; Amy (Isoe) Mayorga, LSA, '06; Breanna Turcsanyi, LSA, '06; Megan Hildebrandt, School of Art, '06; Carol Lu, MBA '12; Kyle Brouwer, MBA '12/LSA '06; Carrie Thorson, MBA '12/School of Music, Theatre & Dance '03; Seth Greenberg, MBA '12; Dylan Foukes, School of Engineering, '96; Stephanie Movahhed, MBA '12; Mark Loesel, BBA, '06; Devesh Senapati, BBA, '06; Sean Convery; Maria Attaar, BBA '06; Erin McGrath, School of Music, Theatre & Dance, '06; Peter Henrich, MBA '12; Kristen Schultz, MBA '13/Ford '13; Stan Garstka, MBA '12; Philip Rosengren, MBA '12; Benjamin Heymer, School of Engineering, '04; Nick Domitrovich, BBA, '06; Aaron Eash, School of Engineering '06; Christopher Joseph, LSA '06; Nick Danoff, MBA '12; TJ Marston, MBA '12.**



**Brian J. Hunt, BBA '86**, managing principal of the Chicago-based Hunt Law Group LLC, earned multiple accolades this year. He was named an Illinois Super Lawyer

in Business Litigation for the tenth consecutive year and chosen as one of Chicago's Top Lawyers by Martindale-Hubbell and American Lawyer Media for the second consecutive year. In addition, Brian was listed in *Chicago* magazine among Illinois' Top Rated Lawyers and as one of Chicago's Top Rated Lawyers; and in American Lawyer Media as a Top Rated Lawyer in Litigation.



**Jennifer L. Sherman, BBA '86/JD '89**, was named chief operating officer of Federal Signal Corporation in April. In this newly-created role, Jennifer oversees operations

for the \$850 million, Oak Brook, Ill.-based global industrial manufacturing company. She joined the company in 1994, most recently serving as senior vice president, chief administrative officer, general counsel, and secretary. Her son, Ben Cherry, is a senior pursuing his BBA at Ross.

**Scott Nordlund, MBA '90**, is now the executive vice president, growth, strategy & innovation, for CHE Trinity Health, one of the largest healthcare systems in the U.S., with 86 hospitals and \$14B in revenues. He is responsible for the organization's merger and acquisition activity, strategic and business planning, marketing, communications, and customer engagement. Scott is also developing CHE Trinity Health's approach to innovation and partnership development to ensure that the organization is prepared for the transition to a value-based healthcare environment.



**Bert Dumars, MBA '96**, became vice president of digital marketing for BI-LO Holdings LLC earlier this year. He leads digital customer experience development including mobile, website, content, and social media marketing for the parent company of the BI-LO, Harveys, and Winn-Dixie grocery stores. Previously, he served as vice president, principal analyst at Forrester Research and vice president, digital marketing and ecommerce at Newell Rubbermaid.

**Michael Aleles, MBA '97**, founded and launched the retail startup Quippi in 2013. The San Diego-based social enterprise sells fee-free gift cards in the U.S. on behalf of major international retailers, initially focused on the \$23 billion that consumers send from the U.S. to Mexico annually. He was profiled in *Forbes* this summer, where he discussed what inspired him to launch a venture serving working-class customers, and the \$3 million in venture capital he received to get started.

**Janeene (Fears-McArthur) Balmir, MBA '98**, was promoted in May to managing director, CIO-treasury at JPMorgan Chase. A JPMorgan Chase employee since 1998, she previously worked as executive director, treasury capital markets.

**Shannon Lemmon, BBA '00**, was promoted in May to partner at Eide Bailly LLP. She serves as the director of international tax services for the regional certified public accounting and business advisory firm, providing clients with specialized tax services and thought leadership on international tax matters.

**Katie (Strobl) Wendt, BBA '95**,

joined by her colleagues, rang the opening bell at NASDAQ this summer to celebrate Talmer Bank's IPO in February. Katie serves as the chief accounting officer for Talmer Bank, the Troy, Mich.-based holding company for Talmer Bank and Trust and Talmer West Bank.

**Matthew V. Horning, MBA '01**, was installed as president of the Association of Public Treasurers of the United States and Canada (APTUS&C) at the organization's annual meeting in July. At this time, he also received the Dr. Jackson R.E. Phillips Award, the association's highest honor, which recognizes APTUS&C members for exceptional leadership in, and significant contribution to, professional treasury management. Matthew is Treasurer of the city of Ann Arbor.

**Jason S. Rubinstein, BBA '02**, was recently named a Washington, D.C. Rising Star in Insurance Coverage by Super Lawyers. He is an associate at Gilbert LLP, where he focuses on complex insurance coverage litigation and consultation.

**Susan Tahir, MBA '04**, recently launched Story38 Alliance ([story38alliance.com](http://story38alliance.com)), an endurance sports gear company focused on triathletes who race for a purpose. In June, she successfully funded a Kickstarter campaign for their first product, generating over \$20,000 in seed money and scheduled to begin shipping in December. Previously a professional in the technology sector, Susan worked at Hewlett-Packard, the Walt Disney Co., and Medtronic before entering into her new venture.

**Aaron Bass, BBA '05**, was profiled in *DBusiness Magazine* this summer as one of six Top Young Lawyers. An associate at Honigman Miller Schwartz and Cohn LLP, he focuses on real estate development, financing, restructuring, and leasing. His work with Quicken Loans affiliate company Bedrock Real Estate Services, which has acquired some 40 buildings in Detroit's central business district since 2010, puts him at the leading edge of redeveloping the city's downtown.

**John Kennedy, MBA '05**, reached a deal to sell Grand Rapids, Mich.-based Autocam Corp. to NN Inc. in a transaction valued at \$300 million. John, CEO of Autocam, said the acquisition helps the automotive supplier take advantage of trends in fuel efficiency. Tennessee-based NN agreed to buy Autocam for \$244 million in cash and \$25 million in stock; it will assume \$30.5 million in debt. Autocam has 15 facilities in the U.S., Europe, South America, and Asia. Affiliated Autocam Medical was not part of the deal. He is now one of the largest shareholders of NN as well as a member of its board of directors.



**Harlyn Pacheco BA '05/MBA '12/MPP '12**, recently launched the technology startup Qlovi alongside fellow U-M alums in business, engineering, and public policy. Qlovi aims to increase literacy levels in K-12 and community colleges across the U.S. by providing educators with personalized reading and writing experiences, and has received awards from the Echoing Green Fellowship, the Bill and Melinda Gates Foundation Literacy Courseware Challenge, and the HarperCollins BookSmash Challenge.

**Shilpa Wadhwa, MBA '05**, was promoted to vice president, new accounts, at Discover Financial Services. She will manage the new account operations for their card business. Shilpa joined Discover in 2005 through campus recruiting and has served in multiple customer experience and collections strategy roles.

**Angelita Mantilla Becom, MBA '07**, has been promoted to vice president at Sibson Consulting, a member of leading benefits and HR consulting firm The Segal Group. An expert in employee compensation, performance, and talent management, she joined Sibson in 2000, where her most recent role was senior consultant.



**Brian Chin, MBA '12**, and **Daphne Wey, MBA '12**, became husband and wife April 19 in Sunnyvale, Calif. Brian is a manager at Deloitte, and Daphne is a Finance Operations Analyst at Google.

Joy Lee, MBA '12; Tom Li, MBA '12; Gracie Tang; Louise Lee Ryoo, MBA '12; Ellen Ryoo; Dan Hsu, MBA '12; Paul Moran, MBA '12; Chris Cadotte, MBA '12; Sally Last, MBA '12; Adrienne Cadotte, MBA '12; Julie Chen, MBA '12; George Tan, MBA '12; Cynthia Chan, BBA '11; Gordon Chan, MBA '12; Brian Chin, MBA '12; Daphne Wey, MBA '12; Ana Lim, MBA '12; Jofresh Labiano, MBA '12; Lasida Klinsukond, MBA '12; Patricia Wong, MBA '12; Hillary Hai, MBA '12; Shu-Shan Lai, MBA '12; Hanne Montag, MAcc '12; Debra Lin, MBA '12; Daniel Perez, MBA '12; Nicola Sebastiani, MBA '12; Cynthia Lee, MBA '12; Krissy Tieu, MBA '12; Sheryl Lee, MBA '12; Kelly Kennedy, MBA '12; Chunjing Zhan, MBA '12; David Paravano, MBA '12; Vincent Duong, MBA '12.

**Amy Wang, BBA '08**, and **Michael Williamson, BA '08 (LSA)**, were married May 31 in Washington, D.C. The couple met on their first day of school at the University of Michigan. Both are currently expanding their education, with Amy pursuing an MBA at the University of Virginia and Michael a master's degree in international relations at George Washington University.



**Hilal Koc, MBA '10**, who moved from New York to Turkey in 2012, is helping the nation prosper as it endures political turmoil.

As vice president of business development & operations at baby and child e-retailer Annelutfen.com, she fostered huge growth by rejuvenating the merchandising team, revamping the customer service, and forging large-scale partnerships with industry leaders. In April, the company was named one of the Top 100 startups in Europe in the Red Herring 100 Awards and was featured in the Turkish edition of *The Economist* soon after. As a member of Keiretsu Forum Istanbul, Hilal is also a mentor, advisor, and investor in several other startups globally.



**Ryo Yazu, MBA '11** and **Trang Pham, MBA '11**, married in Tokyo in April, celebrating with Ross alumni who joined them from the U.S., Korea, China, and Taiwan.

**William Lo, MBA '11; Yuan Yuan Fang, MBA '12; Makoto Ariga, MBA '93; Tomoya (Johnny) Watanabe, GMBA '11; Masashi (Mike) Nishio, GMBA '11; Kenji Hayashi, MBA '11; Akitsugu Sato, MBA '11; Kyoung Hoon (Chris) Chun, MBA '11; Derek Sheng-Fu Huang, MBA '11**

**Stephanie Gioia, MBA '11**, recently launched the project Deckaholic, a library of card decks for business leaders and others interested in organizational change and design thinking. A founder of the Ross Design + Business club, Stephanie is also director of consulting at the Portland, Ore.-based business design consultancy XPLANE.

**Joseph S. Elias, MBA '12; Jesse Clem, MBA '12; Craig Van Pelt, MBA '12; and Eric Rosenoff, MBA '12**, launched Loquidity, a real estate investment crowdfunding portal. Based in Michigan, Loquidity is the only platform of its kind headquartered in and dedicated to the Midwest, offering curated, locally sourced investment opportunities directly to accredited and unaccredited investors. The company, which specializes in commercial and multifamily offerings, was founded to revitalize property markets in Midwestern communities by engaging investors throughout the life of their investment.

## CORRECTION

The Table of Contents in the Spring 2014 issue of *Dividend* incorrectly spelled the name of **Lisa Howze, BBA '95**.

# In Memory

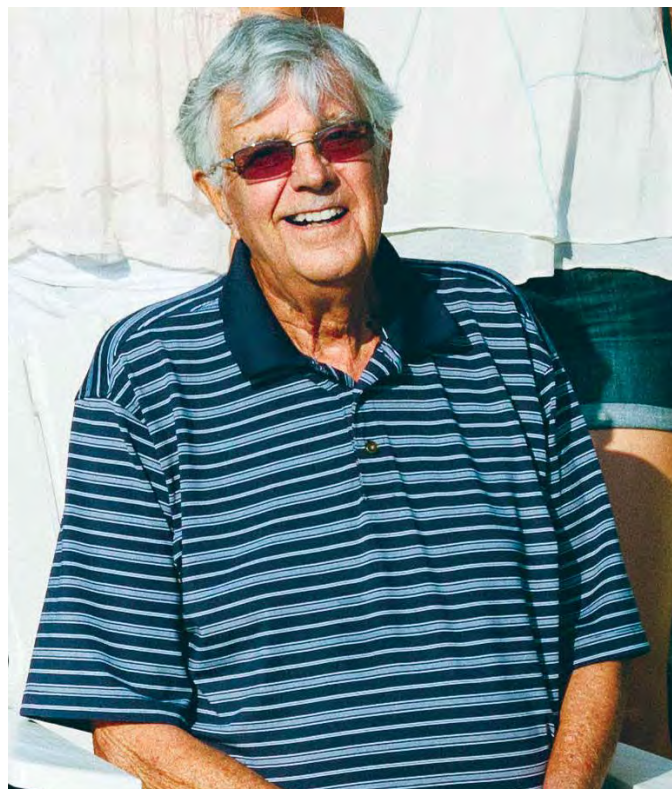
## OBITUARIES

**Irene Anderko, BBA '45**, died May 13, 2013. In addition to her business education at Michigan, she received her MFA from Eastern Michigan University and went on to be an accomplished artist in drawing, painting, and graphic design. She was a fixture in the community not only as a member of the Ann Arbor Art Association, the Ann Arbor Women Painters, the Michigan Watercolor Society, and the Ann Arbor City Club, but also as her artwork adorned the walls of local homes and businesses. In addition to her husband, **William Ruzicka, MBA, '51**, she is survived by daughters Deborah and Pamela, four grandchildren, and sister Helen.



**Richard J. Gross, BBA '50**, died Jan. 10, at the age of 86 in Toledo, Ohio. A lifelong Wolverine, he could be seen regularly donning maize and blue, and every five years he reunited with his Zeta Beta Tau brothers. Richard also had deep roots in local business; his family founded Gross Electric in 1910, where he became president in 1959 and retired about five years ago as chairman and chief executive. He is survived by his wife, Marion "Skip" Gross, and four children and their families, including 11 grandchildren and four great-grandchildren.

Pictured: (L-R) **Al Gaynor; Eugene Winkleman; Alvie Harris; Joe Borinstein, AB 1950 from LSA; Dan Dworsky, Bachelor in Architecture from Taubman 1950; Dr. Arnold Heyman, AB from LSA 1949; Richard Gross, BBA '50.**



**Bill Hoglund, MBA '58**, died June 8, at the age of 79 in Harbor Springs, Mich. Like his father and brother before him, he spent his entire career at General Motors, retiring in 1995 from his post as executive vice president of General Motors. A family man who loved spending time on Lake Michigan and the golf course, Bill was highly active in charitable work with organizations like Habitat for Humanity, the Skillman Foundation, and the President's Council on Sustainable Development under President Clinton. He is predeceased by his daughter, Susan, and survived by his wife, Beverly Jane Scales, and four children and their families, including nine grandchildren.

**PASS US YOUR CLASS NOTES.**

Send us your news via email to [RossDividend@umich.edu](mailto:RossDividend@umich.edu),  
or tweet us @MichiganRoss





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# FIRST PERSON

## ALEX LINKOW, MBA/MS'11

**EARLY ON,** I knew I wanted to work with businesses to help make the world cleaner, greener, and healthier, and this ambition ultimately led me to a career in food systems. On the way, I landed in the role of marketing manager for Clivus Multrum, a leading manufacturer of composting toilet systems. It was a wonderful entry into the world of sustainable business, and I knew I was on the right track.

**IN AUGUST 2008,** I left Boston for Ann Arbor. I began my graduate studies at the School of Natural Resources and subsequently joined Ross and the Erb program. During my first fall in Ann Arbor, I explored various sustainability-related career paths but knew I needed to dig into one aspect of sustainability. While I had established a background

in waste, water, and green building, I kept coming back to food. Michael Pollan's *Omnivore's Dilemma* started me thinking more deeply about all the ways food intersected with sustainability. I wanted to explore further.

It didn't take long to find Ann Arbor's resident sustainable agriculture and food systems expert: **Oran Hesterman**. He was launching Fair Food Network, a nonprofit dedicated to building a just and sustainable food system, and writing a book. *Fair Food: Growing a Healthy, Sustainable Food System For All* pairs rich storytelling of fair food champions with practical tips for those wanting to change the food system. I worked with Oran on his book in the summer of 2009, and I was hooked on food systems work.

**THE NEXT SUMMER,** I returned to Fair Food Network to help launch Double Up Food Bucks, a healthy food incentive program that provides low-income Americans who receive SNAP benefits (formerly food stamps) with a one-to-one match to purchase locally grown produce. What started in five Detroit markets in 2009 has grown to more than 150 locations across Michigan and Northern Ohio, supporting local farms, improving food access for families, and benefiting local economies.

**IN WINTER 2011,** Oran shared a new proposition. A foundation was interested in launching a fund to invest in good food businesses that support small and mid-scale farms in the Northeastern United States. The foundation had invited a proposal, and Oran asked me to work with him on it. This was the beginning of the Fair Food Fund.



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# SUSTAINABLE FOOD SYSTEMS

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**NOW**, Fair Food Fund is active across the Northeast, providing financing and business assistance to good food enterprises that connect small and mid-size farms with consumers hungry for local, sustainably grown food. We recently closed a loan to Maine's Northern Girl, which processes surplus root crops from area farmers to sell

## FAIR FOOD



year-round to consumers and institutions. The loan is helping Northern Girl to scale production, which will spur job creation in rural Maine, provide additional revenue for local farmers, and increase consumer access to healthy, local food.

In addition to financing, we provide a range of business assistance services to help entrepreneurs succeed while building a pipeline of investment-ready enterprises. Our Consulting Corps program provides entrepreneurs with one-on-one, targeted business assistance, and our Business Boot

Camp, an annual three-day intensive training hosted by Food Sol at Babson College, combines skill building sessions, one-on-one coaching, and a pitch competition where the winner receives up to \$10,000 in consulting services.

The fund has already made great progress. Our network of expert Consulting Corps advisors has provided a range of services to more than a dozen good food enterprises. In addition, we're planning our second annual three-day Business Boot Camp this December and reviewing additional investment opportunities. We're also excited to share our findings with others, including the Michigan Good Food

Fund, a new statewide public-private loan fund currently in development.

I feel lucky to work with the great team at Fair Food Network and to have the opportunity to support good food entrepreneurs who are working every day to fix our broken food system. Ross, SNRE, and the Erb Institute prepared me to think in systems and to innovate, and there's no way I'd rather use those skills.







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