

\$30 Million Gift Creates World-Class Institute

Dividend

The Magazine of the School of Business Administration • University of Michigan • Spring-Summer 1992



'Why give to the Annual Fund? The answer should be obvious to every member of the Business School community.'

Keith E. Alessi, MBA '79
President/CEO
Virginia Supermarkets, Inc.

"For me, being accepted into the Michigan Business School was the realization of a dream.

"I'd always wanted to attend Michigan, and the day I received my acceptance letter was one of the finest days of my life. Over time, I've come to appreciate the true value of my Michigan degree. Not only in terms of knowledge and exposure to ideas, but also the people I met in Ann Arbor, many of whom are still among my closest friends. I've found that a degree from the Michigan Business School is a terrific credential that opens up doors and makes a statement.



"Even as a student, I recognized the contributions of the people who came before me.

"I saw that the quality of my education had a lot to do with gifts made to the School. And I realized that, as Michigan alums, we're part of a tradition. Previous graduates provided us with opportunities and facilities. Now it's our turn. Every one of us has an obligation to the Business School. We owe a debt to future generations of students.



"The more involved I've become with the School, the more value I can see in the Annual Fund.

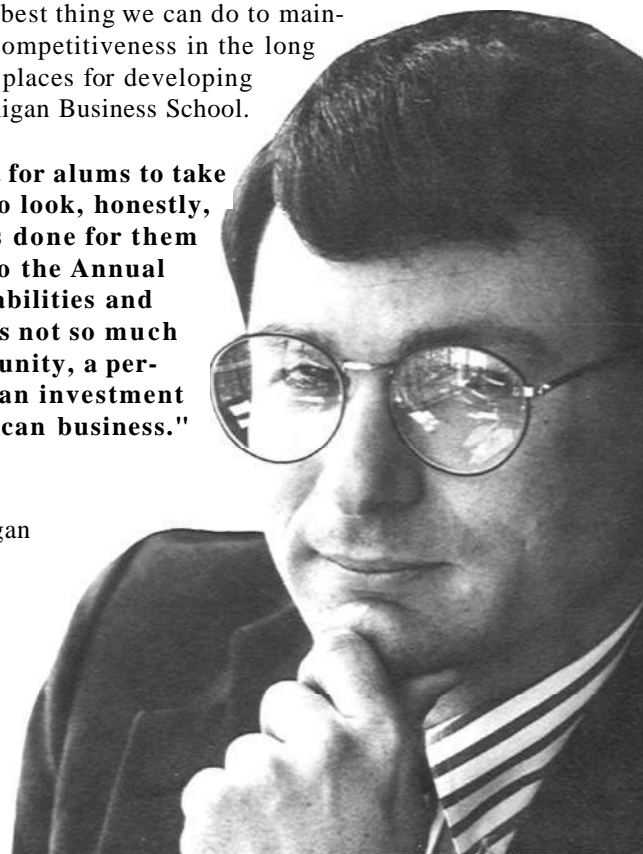
"It's clear to me that the School needs financial flexibility, an undesignated fund that can be tagged for important programs. That's exactly what the Annual Fund does. It provides room to maneuver, it allows the Dean to use his discretion to make calls, try new things, react as needs arise. It's an essential tool for growth.

"Taking a global business perspective, it's clear that supporting the Michigan Business School is an excellent way to maintain this country's competitiveness.

"I believe that training business leaders — keeping good managers in the pipeline — is the best thing we can do to maintain American business competitiveness in the long run. And one of the best places for developing those leaders is the Michigan Business School.

"I think it's important for alums to take stock of themselves. To look, honestly, at what the School has done for them and then make a gift to the Annual Fund, based on their abilities and resources. Actually, it's not so much a gift as it is an opportunity, a personal obligation, and an investment in the future of American business."

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Business School
Annual Fund
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Dividend



About the Cover

William Davidson is pictured immediately after a \$30 million commitment by his company Guardian Industries, to establish the William Davidson Institute. The photo is by Michael S. Green and is published by permission of *The Detroit News*.

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AN INVESTMENT IN THE FUTURE

\$30 Million Commitment Creates a World-Class Institute
at the University of Michigan to Help Develop Market Economies



Gregory Fox

Posing for the photographers at the press conference announcing the Davidson Institute are (left to right) U-M President James J. Duderstadt; U-M Provost and former Dean of the Business School Gilbert R. Whitaker, Jr.; Michigan Business School Dean B. Joseph White; and William Davidson, chairman, president and CEO of Guardian Industries Corporation.

The University of Michigan has announced a new, \$30-million private giving commitment to establish the William Davidson Institute at the University of Michigan School of Business Administration.

The Institute's primary goal is to help countries make the transition from a command to a free-market economy through a program of instruction, faculty and student development, and research. At the same time, the Institute will work to help U.S. businesses operate successfully in emerging market economies. Current targeted areas include Eastern Europe, the former Soviet republics, India, China and parts of Africa.

It is designed to become the world's leading center on market economies and enterprises, and to have a significant role in influencing world economic development.

Davidson, owner of the Northville-based glass manufacturing company Guardian Industries Corporation, and the Detroit Pistons basketball team, said the Institute is in response to the dramatic shift toward free enterprise in several areas of the world.

"As Guardian Industries has grown and spread around the globe, I have seen personally the hunger of people for an understanding of free-market practices and the tools needed to build market economies," said Davidson. "When we began negotiations for our subsidiary in Hungary over four years ago, I experienced first-hand the desire of key managers for change and their lack of understanding of market-oriented principles. Before we concluded our agreement, we had to educate our Hungarian counterparts on the key elements of business organization, financing and marketing.

"The events since that time — the failure of communism in Russia and Eastern Europe, the movement toward market economies in nations such as India and China — have heightened this need for educational tools and my awareness of it.

"Therefore, it is with great pleasure that we join with the University of Michigan Business School in creating an Institute to satisfy this need. My vision for the Institute is that it will help to forge a path for those responsible for economic change in these



The press turned out in force for the announcement of the Davidson Institute. Seated on the platform constructed in the Phelps Lounge for the press conference are (left to right), U-M Provost Gilbert R. Whitaker, Jr.; Senator Donald Riegle, Jr.; U-M President James J. Duderstadt; Senator Carl Levin; Governor John Engler; and William Davidson. Dean B. Joseph White is at the podium making the announcement.

emerging markets — that it will give them the knowledge, the methods and the blueprints for a successful transition to a market economy.

"At the same time, what this Institute learns from these countries will equip our businesses here at home with the skills needed to enter these new markets and become true global competitors. These newly-emerging markets are business frontiers, and our companies need to learn how to successfully enter these markets at an early stage in their transition."

The Davidson gift was announced at a press conference held in the Phelps Lounge of the Business School. On the platform with Davidson and Dean B. Joseph White were U.S. Senators Carl Levin and Donald Riegle, Jr., Michigan Governor John Engler, U-M President James J. Duderstadt, and U-M Provost Gilbert R. Whitaker, Jr., who was Dean of the Michigan Business School from 1979 to 1990. U.S. Secretary of the Treasury Nicholas E. Brady delivered the keynote

address at the luncheon that followed the press conference.

In acknowledging the commitment on behalf of the University, U-M President James J. Duderstadt said, "This is a creative initiative that responds to one of the most exciting periods in modern history. All over the world, the bells of freedom are ringing, as people reject totalitarian rule and seek to determine their own destiny. But without real enfranchisement, without capital and expertise, this freedom will be short lived.

"William Davidson understands these changes. He is one of those visionaries who believes in people and in their ideas, and who knows that the development of these new free market economies requires a sustained, long-term commitment. The establishment of the Davidson Institute embodies this vision.

"This fall, the University will embark on the most ambitious fundraising campaign ever undertaken by a public university. Undergirding this effort is a commitment

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Left to right, Michigan Governor John Engler, William Davidson, and B-School Dean B. Joseph White at ceremonies inaugurating die Davidson Institute

to building a foundation of support that allows this institution to shape her own destiny, just as the peoples of the world seek to determine their own future.

"What better way to begin a campaign of this size and scope than by announcing something so powerful in its vision and so global in its reach. It excites and challenges all of us."

B. Joseph White, dean of the Business School, worked together with selected faculty and staff and representatives of Guardian Industries. "We intend to have the Davidson Institute become a premier source of instruction and expertise concerning the development of free markets and the role of business and governments in market economies," said White. "We are extremely excited to have the Davidson Institute at the Business School. We see this as another way the school can make a

direct impact on international economic development at this pivotal time in history."

"Michigan's (Michigan) institutions in this state make a difference, few of them make a world of difference," said Michigan Governor Engler. "Partnerships will result from this announcement that we can't even envision" Senator Levin commented, "You're making a gift... to the security and freedom of our grandchildren." Senator Riegle said, "This is a tremendous act of public leadership. The course of history does get changed by individuals."

The \$30 million gift, which is spendable, will be given over a 20-year period, in \$1.5 million yearly amounts by Guardian Industries Corporation, which is owned by Davidson. The gift is directly to the Institute, which will partner with the University of

Michigan Business School. White will serve as president of the Institute.

The Institute will not confer degrees nor grant academic credit. It has been structured as an independent educational organization, and will begin operation following various administrative approvals. "We are proceeding with implementation planning so that when these approvals are completed we will be ready to begin operation," said White. "This Institute represents a visionary response to the command-to-market shift underway throughout the world. The new partnership between the Davidson Institute and the U-M Business School will result in an aggressive, multi-faceted program of instruction and research capable of literally shaping events in the emerging world economic order."

A GIFT OF KNOWLEDGE AND OF OPPORTUNITY

The Davidson Institute has a two-fold goal: to aid countries in transition from a command to a market economy make that change smoothly and with the proper institutions in place; and to help U.S. businesses operate successfully in emerging market economies.

The Institute will have three major functions. First is its instructional role, which is its primary focus. To fulfill this role, it will initially offer a yearly six-week seminar for 50 senior business leaders, entrepreneurs and government officials from countries with economies in transition. The business people, funded through the Institute, will study how a market economy works, and how to operate a business successfully in these economies. Government officials will learn about policy formulation and public management.

As another part of its teaching function, the Institute will sponsor the Davidson Institute Enterprise Internships for students from the University of Michigan and other universities. These students, selected competitively, will receive an intensive course in the history, culture, language and current situation in the country to which they are assigned. Some also will have the opportunity to attend classes with Institute visitors and accompany them to their home countries where the students will serve an internship. Initially, interns will be placed in Poland and the former Soviet republics.

In its second function, faculty development, the Institute will award annual fellowships to scholars from U-M, other North American universities, and from countries with developing market economies. Davidson Institute International Faculty Fellows going overseas will complete a course of study similar to that of the student interns. They will then study, teach, or be employed in their target country.

Foreign fellows, who will be in residence at the Institute, will study subjects that form the core of a business curriculum such as economics, accounting, finance, marketing and corporate strategy.

The Institute will also fund research projects by both North American and foreign faculty fellows, in many cases as a collaborative effort. The research will be designed to support the Institutes teaching mission, and will include basic data, academic findings and case studies of developing and mature market economies.

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WILLIAM DAVIDSON

Chairman, President and Chief Executive Officer
Guardian Industries Corp.

on the occasion of the creation of the
William Davidson Institute
at the

University of Michigan Business School

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President

Gilbert R. Whitaker/

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"THIS IS NO SMALL TASK"

Remarks by William Davidson, BBA '47,
President of Guardian Industries Corporation,
at the Inauguration of the William Davidson Institute
at the University of Michigan

When I first became involved as a businessman in centralized economics, such as Hungary and India, it was immediately apparent that many economic decision-makers were severely handicapped by their lack of understanding of basic free-market business principles. Principles which form the foundation of economic success in the West, such as accounting, finance, business organization and marketing, were largely lacking. While the desire to do business was often there, the tools of understanding simply were not.

For example, when Guardian first went to Hungary — more than six years ago — it was considered the most progressive and market-oriented of the communist regimes. Yet we found it virtually impossible to negotiate with our Hungarian counterparts until we had repeatedly reviewed with them the fundamental principles of free-market business — an educational process we then had to repeat with each successive government.

After we concluded our joint venture agreement, we moved our entire Hungarian work force to our facilities in Western Europe and the U.S. for intensive training in the way we do business. Our purpose was to educate all of them in our system of individual accountability and responsibility. Under the communist system, no one individual was ever held accountable or responsible. For both the manager and the laborer, the idea of taking personal responsibility for his own performance as judged by the customer was an alien concept.

Yet the desire to learn how to be competitive was certainly there, and our Hungarian work force rose eagerly to the challenge. They absorbed everything we taught them and seized the opportunity to take responsibility for their own operations. Today, it is amazing to see what our all-Hungarian work force has accomplished. From production to sales, our plant in Oroshaza is one of the best-run operations in Guardian's organization — with high yields, high quality, high productivity and high morale.

I learned from our experience in Hungary that there is a great need for knowledge — not just in Eastern Europe, but on nearly every continent where today there are countries struggling to make the transition from a command to a market economy with minimal social upheaval. But instead of an ad hoc, investor-by-investor approach to education, a broad-based plan is required to address the immediate needs in these countries.

With the swift and total collapse of the communist system, I realized that the problem far transcends the interests of one company or one businessman. We face today a world in disorder, and before us rises the challenge of building a new world order more quickly than at any time in mankind's history — and with infinitely more at stake. The book is now closed on a period of intense, bi-polar hostility that has defined our lives for more than four decades, and it is now for us to determine what will fill the next pages of history. We stand now at the dawn of a new era — an opportunity unprecedented in history. What we do today — by act or omission — will shape the world for generations to come. At no other time has the necessity of success and the consequence of failure been so great.

We know all too well the social upheaval that is caused by economic disorder. We have little choice but to seize this opportunity and to meet the challenge, or risk the prospect of these emerging nations sliding into social and economic chaos. We all have a responsibility to contribute to this great effort. This is our future, not just the future of far-away lands. How we respond to this challenge will determine whether our children and our grandchildren will continue to enjoy the peace and prosperity we have known.

Today, the University of Michigan is stepping up to this great challenge and I am proud to be a part of its effort. As a graduate of the Business School and a current member of the Visiting

"The book is now closed on a period of intense, bi-polar hostility that has defined our lives for more than four decades, and it is now for us to determine what will fill the next pages of history."

Committee, I know that the talent, the energy, and the vision are here to meet the challenge. The Institutes mission is to equip economic decision-makers in these emerging countries with the tools of commercial success. I am very enthusiastic about the program Dean White and his colleagues have designed to accomplish this, and I am confident in the ability of the University and the Business School to make the program a success.

In a sense, we are not just educators, administrators, or businessmen; we are co-workers for the cause of economic and social freedom. We must do all in our power to see that those countries that have already taken that difficult first step forward will continue along the path of progress without faltering. This is no small task, but together we can make a difference. Together we can set an example for others to follow.

It has been a pleasure working with President Duderstadt, Provost Whitaker, Dean White and the others here at the University and Business School to launch this mission. I look forward to our continued work together.

A MAN OF VISION

William Davidson is president and chairman of the board of Guardian Industries Corp., Northville, Michigan, a privately-owned company with more than \$1 billion in annual revenues, employing 8,000 worldwide.

Guardian Industries is a world leader in flat glass and fabricated glass manufacturing. Its products include architectural glass, automotive glass, insulating and reflective glass, safety and tempered glass, fiber glass insulation and thermoplastics. The company is one of the five largest float glass producers in the world and the fastest growing company in its industry. It maintains facilities throughout North and South America, Western and Eastern Europe and in Asia.

In recent years, Guardian has expanded in several of the world's emerging economies. Large glass manufacturing facilities have been completed in Hungary and Venezuela, while plants are under construction in Thailand and India.

Davidson is also principal owner of the Detroit Pistons basketball club, and majority owner of The Palace of Auburn Hills and The New Pine Knob.

He was born in Detroit, Michigan, on December 5, 1922. He received a BBA from the University of Michigan in 1947, and a JD from Wayne State University in 1949. In 1949, he was admitted to practice before the Supreme Court.

Davidson has been a major donor to the University of Michigan, and has served for 10 years as a valued member of the Business School's Visiting Committee.

He is an active Detroit community leader, serving on numerous local agencies and charities. He is past president of the Congregation Shaarey Zedek, and a past chairman of the United Jewish Appeal for Detroit. In 1986, he received the prestigious Phoenix Award, presented annually by the Phoenix Award Selection Committee to a person still living who has made significant contributions to the glass industry.



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Secretary of the Treasury Nicholas F. Brady was the keynote speaker at the luncheon celebrating the establishment of the Davidson Institute

"Teach a Man to Fish and You Feed Him Forever"

Remarks by Nicholas F. Brady,
Secretary of the Treasury,
at the Inauguration of the William Davidson Institute at the University of Michigan

It is a pleasure to be here to celebrate the inauguration of the William Davidson Institute at the University of Michigan Business School — where soon, government policy makers and business leaders from transitional economies will be able to learn more about the free market and where

American business executives will be able to learn about doing business in the transitional economies. Nothing could be more timely than this important addition to the relationship between our country and the emerging democracies of Central and Eastern Europe and the former Soviet Union.

Unlike many important turning points in history that can be recognized only with the benefit of hindsight, no one can doubt that these are momentous times. Last week, I visited Moscow in the midst of a genuine threat to Boris Yeltsin's reform program by the Russian Congress. On the

same trip, I met with business and government leaders in Prague and Budapest and attended the first annual meeting of the European Bank for Reconstruction and Development (the "EBRD"). This weekend, Yegor Gaidar, Russia's Deputy Prime Minister and a key force for economic reform,

will meet with the G-7 ministers and the International Monetary Fund and World Bank in Washington.

Let there be no mistake, the end of the Cold War is the single most important event of this generation. In terms of our own national defense and security it is an event of profound change. In terms of our way of life, it is an unprecedented opportunity.

Our nation has a particularly large stake in the struggle now being waged by the people of the former Soviet Union to achieve economic reform, freedom and democracy. We must support these peoples' efforts to move from servitude to self-government, to secure a democratic peace and to pursue prosperity. Free nations do not wage war with fellow democracies.

If the fragile democracies and emerging market economies of the former Soviet Union are not nurtured and sustained, it will be far too easy for the world to fall back into the armed camps that have marked this century, with all the cost in blood and treasure those camps have always demanded. As Dwight D. Eisenhower said at the beginning of the Cold War almost half a century ago, "A world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, the hopes of its children."

However, the path from communism to democracy is not an easy one. Like the instantaneous demolition of the Berlin Wall, longstanding economic, social and political institutions have been dismantled overnight. But the building of free

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Dwight D. Eisenhower

democratic nations requires the creation of the institutions of a modern market economy. This is a meticulous and arduous endeavor. We must not underestimate the difficulties of transforming a totalitarian economy to an open economy; the one guided by all too visible and rigid commands, the other guided by the invisible hand of the marketplace.

As we know well, freedom and free markets are often messy. Consider the magnitude and kinds of uncertainties now facing the Russian people. The political institutions that they have grown up with have totally failed them and collapsed. Their country has only months, rather than centuries, of experience with a democratic form of government.

Families and friends are witnessing the deterioration of social programs and the disappearance of long-standing employment security in state-owned enterprises. They know their state-owned enterprises are moribund — dinosaurs that

cannot endure — but they are puzzled about the sources of adequate capital and the free market infrastructure necessary to transform them into successful private enterprises. An unparalleled rise in prices of food and other essentials has occurred and workers are worried about what they will be able to afford next week. And the people fear that their new-found freedom is fragile indeed.

The political leaders of all the emerging democracies fear the political and social instability of widespread unemployment, but also know that government cannot forever serve as the peoples' employer. They must train and retrain their managers and workforce. They must impose taxes to pay their country's debts and ultimately balance their country's budget, but at the same time they must not inhibit economic growth and innovation. They must find a way to create and maintain international value and stability in

their nation's currency. And they must build — in some cases from scratch — the institutions of modern capitalism:

- A legal system that will recognize and enforce the rights of private property and private enterprise;
- A modern, private economic system. For example, banks that take moments, not months, to clear checks;
- In sum, a climate conducive to attract foreign capital and private sector investments.

Inevitably, this will be a slow and gradual process. The task is a daunting one. Each of these nations must ultimately chart their own course. Stable democracies and successful market economies can only emerge and survive from within. The people of these nations themselves must give root to freedom and free enterprise.

It is much too early to know all that the collapse of communism means for the patterns of world investment and industrial activity. But one thing has already become clear: the end of the Cold War frees us to follow new goals, to think new thoughts, to direct the most energetic of our scientific and creative minds to new horizons. The force of this freedom cannot yet be measured, but its possibilities are immense.

From my own travels, there are many signs of encouragement. In the streets, one can feel the energy being unleashed by the entrepreneurs, the small businesses of these countries.

In Czechoslovakia, for example, I visited a plant which had been part of a state enterprise. Through the leadership and vision of the local Czech manager, working with a U.S. company, TRW, the plant

is being spun off from the state enterprise and privatized. Over 250 jobs have been created, and TRW is already producing quality products at far lower costs than in Western Europe. You can feel the excitement and energy of everyone involved in the project.

Pivate investments and trade will prove to be the essential fuel for the economic prosperity that will provide the most enduring guarantee of political freedom. The Western economies have already begun to replace the broken channels of Eastern European and Eurasian international trade and we must work to expand these trade opportunities. We must target our financial assistance to enhance free market institutions and encourage private businesses. This financial assistance must be provided at two levels: By governments and by private endeavors, such as the William Davidson Institute we are honoring here today.

As to the governmental level, President Bush has recently announced a \$24 billion multi-lateral financial support package for Russia. These resources will come from the United States and our allies, principally through the multilateral institutions of the IMF, the World Bank and the EBRD. This initiative commits the G-7 to work in support of economic reform, including stabilization of the ruble.

For the countries in transition to democracy and free markets, probably the most durable contribution we can make is to help to provide their people with the knowledge to build the institutions



Michigan Senator Carl Levin (left) talks with Marion Krzyzowski, who directs the Business School's Michigan Business Assistance Corps for Poland and is also Associate Director of the Business and Industrial Assistance Division of the Michigan Business School. They were both attending the festivities connected with the launching of the Davidson Institute

and acquire the skills they need. Again, some of this can be accomplished through multinational institutions. But the most enduring contacts will take place at the private level, person to person. Through people like Roger Kodat, a ten-year veteran of the Manufacturers Hanover and an American of Czech descent, who moved his wife and two small children back to Czechoslovakia, and is now advising Czechoslovakia's largest bank, the Komerční Bank, on privatization and restructuring. And through people like Barbara Peitsch, a Chicago

banker and University of Michigan alumna, who moved to Budapest to advise the Hungarian Credit Bank.

This is the spirit that embodies our gathering here today to mark the creation of the William Davidson Institute. This occasion marks what the President would call a point of light. The size of this gift, \$30 million, and its 20-year duration, reflect a full understanding of the difficulty and duration of the task that lies ahead. It is no coincidence that Mr. Davidson's company, Guardian Industries, has investment and business experience in Eastern

Europe. He knows first-hand the challenges ahead for these emerging democracies.

The decision to locate this Institute here at one of the nations great universities, the University of Michigan, is in the best American philanthropic and pluralistic tradition. It also reflects the wisdom of that old saying: Give a man a fish and you feed him for one day; teach a man to fish and you feed him forever.

Thank you for letting me join you at this important occasion.

Gregory Fox

YOUR ANNUAL FUND
DOLLARS AT WORK*

WORKSHOPS FOR A COMPETITIVE EDGE

MBA Students Attend a Series of Executive Skills Workshops Designed to Improve Skills that Enhance Management Ability

At the end of his seminar on effective negotiating, Gar Trusley had students clasp and re-clasp their hands together in natural, and then unnatural positions.

"That's how personal improvement is going to feel at the beginning," he told them.

Trusley, who specializes in organization and management development, led participants through an evaluation of their own personal styles and followed up with ideas about how to determine the appropriate negotiating response based on the attributes of one's partner.

His seminar was part of a week-long program in early January that focused on

executive skills such as managing influence, becoming effective negotiators, practicing creativity, and working with and supervising teams. These workshops are the result of MBA student initiatives to bring some of the best components of Michigan's top-ranked Executive Education program to the MBA program.

Last spring, a series of meetings were held with students, faculty and corporate recruiters to develop a set of topics that would be of interest and benefit to the students. In addition, surveys of corporate recruiters and business executives were used as the basis for identifying key skills that are considered critical to a manager's success. The workshops are intended to give participants the opportunity to practice and consider the elements of successful management. They were initiated this year as part of the new MBA curriculum, and will be offered again next year.

Participants played metaphor volleyball, role-played performance reviews, prioritized tools for survival as a team lost at sea, and negotiated the value of ideas. But as the seminar leaders explained, identifying executive skills is a more straightforward process than actually acquiring them. "You'll continue doing what you do well,"

said Paul MacKinnon of the Novations Group in his seminar on managing influence. "When you're trying to improve your ability to build influence, you should remember that doing the right thing poorly is a step up from doing the wrong thing well."

The session on creativity included breaking out into teams to brainstorm about the ideal job and strategies for getting it. Jeff DeGraff, who led the session, encouraged participants to suspend judgment and let ideas flow "Remember, you can always take a wild idea and make it more parochial," he reminded the students. DeGraff is adjunct assistant professor of organizational behavior and human resource management at the Business School.

During the seminars, students were rated on a standardized answer sheet by other participants on the management of interpersonal conflict, gaining power and influence, creativity and problem-solving, and teamwork and interpersonal communication. Associates were asked to respond to each item based on behavior they had observed in the person. Each student then received a personalized

**From time to time, we will be using this symbol in Dividend to let you know about various activities of the School that your Annual Fund dollars help to support.*

feedback report comparing his or her own self-rating with those of several associates. All ratings were strictly confidential. The survey is used as part of a personal improvement agenda for the student as he or she progresses through the MBA program.

The workshops included:

• **Principle-Centered Leadership**

No person or organization can be content to stay where they are; the goals of excellence and total quality express an innate human need for progress in personal, interpersonal and organizational life. Participants were introduced to principle-centered leadership, based on the concept that effective leaders have the ability to apply certain values to their problems, resulting in improved quality, higher productivity, increased profitability and win-win relationships.

This workshop was led by Stephen R. Covey, founder and chairman of the Covey Leadership Center, an international 170-member consulting company that implements principle-centered leadership training at all levels of organizational and individual responsibility. He is the author of six books, including *The 7 Habits of Highly Effective People*, which has sold over one million copies; and *Principle-Centered Leadership*. During the past 25 years, Covey has taught leadership principles and management skills to thousands of leaders in business, industry, government and education.

• **Creativity**

Through a highly interactive and engaging process, participants practiced creativity methodologies such as story boarding, syndetic metaphorical techniques, and visualization anchors. The instructor, Jeff DeGraff, challenged participants to "pump up with creativity" and invited them to learn useful creativity tools that might help them build better products, services . . . and careers.

Jeff DeGraff, who led the workshop, centers his creative abilities around the development of innovations. His views on building "futuristic" technological learning tools have been noted in *Business Week* and the *Wall Street Journal*. DeGraff is an

adjunct assistant professor at the Business School, and a communications design consultant.

• **Managing Influence**

This workshop's theme focused on how to influence others, particularly in the absence of direct authority. Many organizations are now flattening their organizational structures. As a result, there are fewer jobs that have subordinates, especially those first jobs which students accept right out of business school. Today's corporate employees need a different view of "working

"Identifying executive skills is a more straightforward process than actually acquiring them."

Paul McKinnon in his seminar on "*Managing Influence*"

through others" if they are to be successful. The focus of this workshop was on early career experiences. The instructor used large and small group discussions, as well as role-playing, to sharpen skills in the management of influence.

The instructor for this workshop was Paul McKinnon, who specializes in the areas of leadership, organizational diagnosis and change, and innovation. He helps clients manage organizational change that involves changes in structures, systems, management processes, and culture. For mobilizing change at corporate senior management levels, he often uses executive development seminars as well as other diagnosis and intervention strategies.

• **Management of Differences**

This workshop was designed to assess and improve an individual's behavior when

there is the need to manage or negotiate within situations in which serious differences exist. The objective of the workshop is to improve one's behavior when involved in conflict situations, where concerns of the individuals involved seem to be incompatible. A series of exercises and role-playing provides insights into how to improve effectiveness when negotiating.

Gar Trusley, who led the workshop, is president of Gar Trusley and Associates, where he specializes in organization and management development. For more than 19 years he has worked with organizations such as General Motors, the State of New Jersey, and Texas in applying tested concepts to real-world management problems. He has conducted seminars for all levels of management in topics such as delegation, time management, motivation, sales management, supervisory skills, and performance appraisal.

• **Team Building**

This workshop helped participants to identify behaviors that are critical to success as team members. It involves learning how to identify key behaviors and practice them in role-playing and simulations. In each experience, feedback on each participant's use of key behaviors was provided by a trained observer. The collective feedback was used to create a personal development plan designed for follow-up after the workshop.

Instructors for this workshop were Gary E. Vandenberg, executive director of human resources at The Upjohn Company, and Keith Vassau, an organizational effectiveness consultant for The Upjohn Company. Vandenberg is currently heavily involved in the implementation of Total Quality both in his own operation and in the corporation. Vassau is also interested in the implementation of Total Quality principles through the worldwide pharmaceutical sales, marketing and manufacturing organizations of The Upjohn Company.

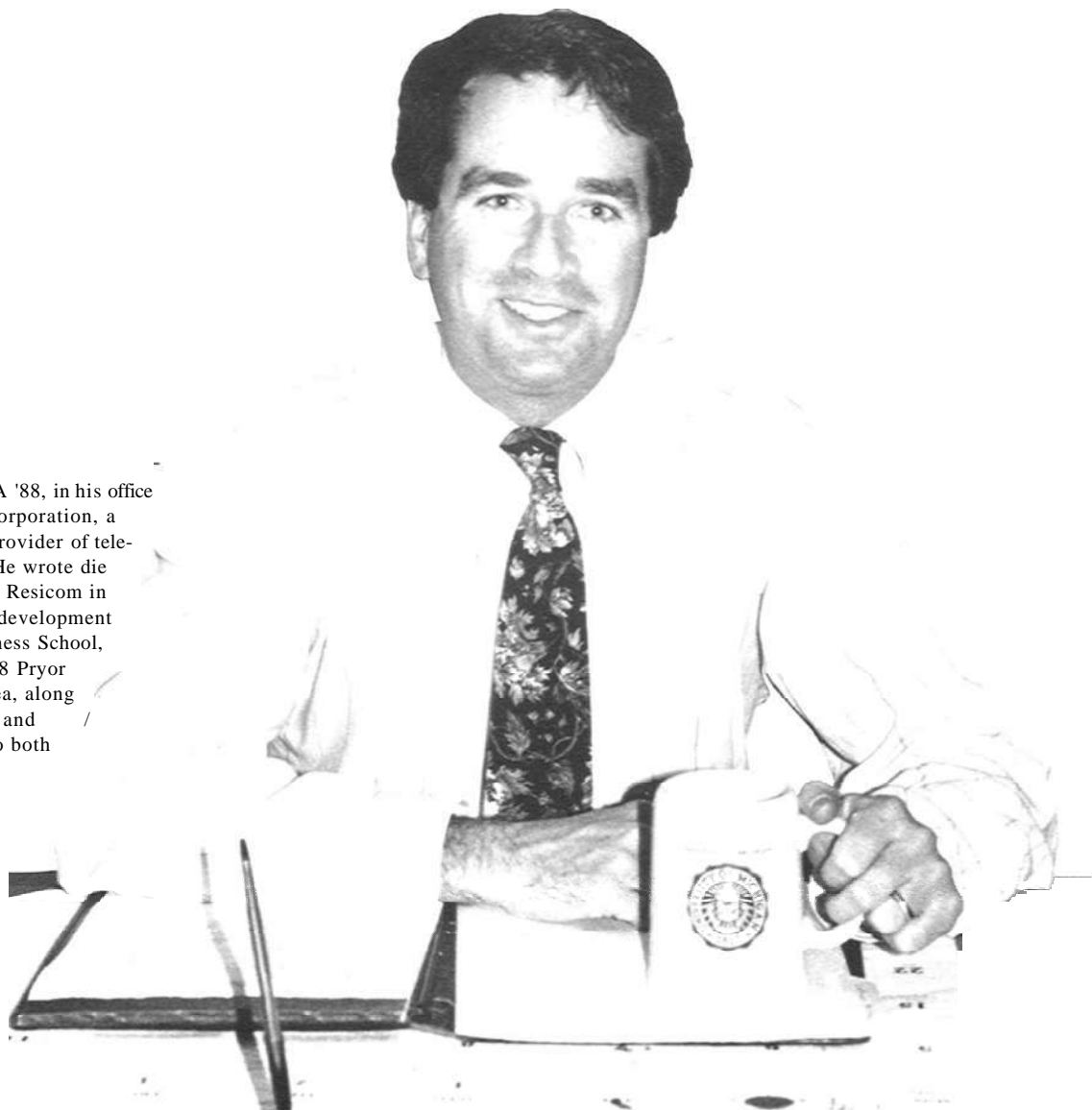
Students who completed the workshops were given a notation on their transcript indicating their attendance, received an Executive Skills Certificate of Attendance, and also were able to note their participation on their resumes.

RINGING UP SUCCESS

1988 Pryor Award Winner Finds Company
to Manage Telecommunications Systems

By Jane Myers

Leidy Smith, MBA '88, in his office at the Resicom Corporation, a fully integrated provider of telephone services. He wrote the business plan for Resicom in the new venture development class at the Business School, and won the 1988 Pryor Award for the idea, along with Karl Schohl and Kurt Vielehr, also both MBAs '88.



When Leidy Smith, MBA '88, and his fellow students Karl Schohl and Kurt Vielehr, also both MBAs '88, won first place in the 1988 Pryor Award competition, he didn't know their business plan would become a reality.

Their plan was based on a new use of after-market telecommunications equipment to manage residential phone service in apartment complexes.

But the thousand dollars Smith pocketed and the confidence he won along with the prize were enough to make him say "yes" a few months after graduation when Illinois Bell, with whom he was exploring the options of reselling phone service in apartment buildings in the Chicago area, introduced him to the owner of the River City complex.

The owner of the mixed-use complex, First Winthrop of Boston, needed someone to take over the management of the phone service. Smith, who calls it "being at the right place at the right time," thought he could do it. Almost four years later, he and his wife Leigh, who left her job as an assistant vice-president at a Chicago bank to join her husband, are ringing up success with Resicom Corporation.

"We wrote the plan for Resicom as part of the new venture development class at the Business School," says Smith. "Taking the class, which was taught by Professor Andrew Lawlor, provided us with the resources, direction and time to put together a feasible plan with which to start the business. Although the plan has been altered from its original form, it was an invaluable tool in focusing our thinking and getting the first apartment contract."

The greatest opportunity, it turns out, isn't where Smith originally thought it would be. Small colleges of less than 2,000 students, with their student dormitories, are more promising territory for phone management services than apartment complexes, he has discovered.

Today, the Resicom Corporation includes Smith, his wife Leigh and one other employee, Margaret Parker. It manages two apartment complex telephone systems: the one in the original River City complex that propelled Smith from student business plan to real-world action, and the other in the North Pier Apartment Tower, also in Chicago. But experience has already shown that small colleges, of which Resicom already has three as clients, offer more growth potential for the small company. "There are about a dozen small schools right in the Chicago area alone," Smith notes.

Resicom is a fully integrated provider of telephone services. When it manages a campus system, all dorms are pre-wired and all lines are activated

simultaneously. With an integrated system, each dorm room is assigned a permanent number. As soon as the school assigns rooms, the students know their phone numbers. Campus directories become more accurate and easier to compile. The company can also install a campus voice mail system that allows the school to leave messages for individuals or groups of students. Class cancellations, schedule changes, upcoming events and other important messages can reach their destinations with timeliness and accuracy.

What Resicom offers to college administrators is freedom from student telephone hassles, along with better and cheaper service for students. Through bulk purchasing of Centrex or PBX lines, Resicom can offer line fees that are competitive with those of the local phone company, free calls within the campus system, and lower connection charges. And the company handles all billing and phone number administration. Such additional services as individual voice mail, call accounting (Resicom can bill each roommates calls separately) and a rebate to the school based on the volume of student long-distance calling, are additional selling points.

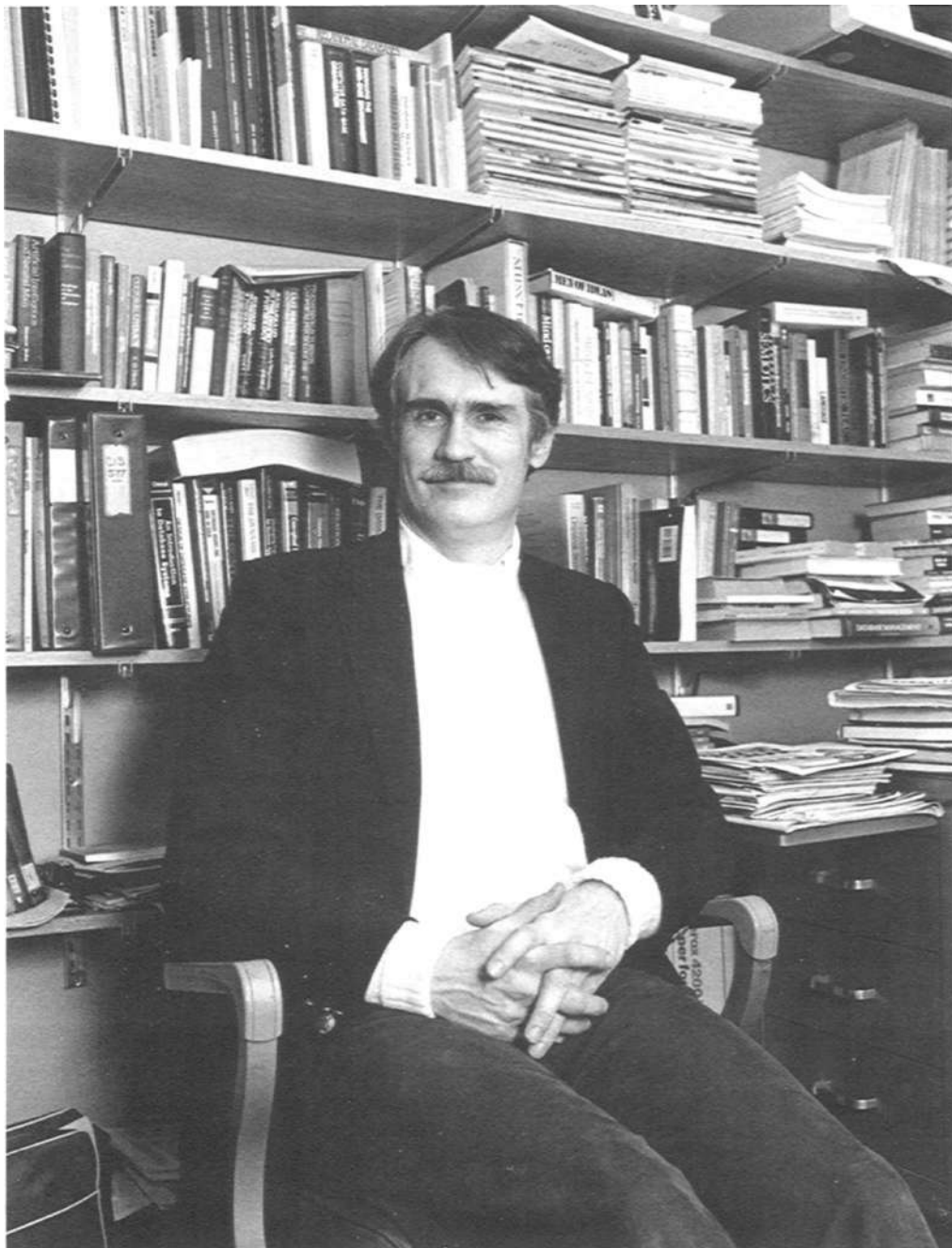
Smith, in his role as small business owner, appreciates from a new perspective his Business School education. He says he most often thinks about the "strategic management-type classes, the ones that made you ask, What makes a company succeed?" The ways of thinking he learned in those courses, he says, have spared him from relying solely on a seat-of-the-pants approach, and have made the founding and running of Resicom Corporation much more satisfying experiences than they might otherwise have been.

In his tired moments, he thinks longingly about the support services he used to enjoy in his days in the sales department at Bethlehem Steel in Detroit, where he worked for three years. "When you're in business for yourself, you have to do everything," he says. "If something goes wrong, you have to fix it. If people aren't paying their bills, you have to get them to pay. If you want marketing materials, you have to produce them."

Being in charge of everything is the biggest frustration, he says, but also the biggest benefit of running your own business. The trade-off, so far, for Resicom, has been well worth the effort.

TWO IMPORTANT BOOKS

Professor David Blair's Book on Information Retrieval
Is Chosen the Best Information Systems Book of the Year, and
Professor Schriber Has Written Another Classic on Simulation



FROM THE CIS DEPARTMENT

Suppose you are in a restaurant where everyone speaks an unfamiliar foreign language and all the ordering is done through an intercom. You place an order, thinking that you know a bit of the language. You then receive something different from what you thought you had ordered, or perhaps you receive nothing at all. Is the kitchen simply out of what you wanted, or did you ask for it incorrectly? There is not enough feedback to tell.

"This is the type of dilemma faced by an inquirer who is dealing with modern information retrieval systems," says David Blair, associate professor of computing and information systems, whose book on information retrieval, entitled "Language and Representation in Information Retrieval," has just been named the best information systems book of the year by the American Society for Information Science. Books are judged on their importance to information science and technology, readability, validity, originality, research significance and scholarship. The award-winning book is published by Elsevier Science Publishers.

"The decision about how to represent a document for effective retrieval is fundamentally a problem of language and meaning," says Blair. "What is missing in computerized information retrieval systems is the dialogue which accompanies our daily informal searches for information, such as when we ask for advice or recommendations in the course of our search. For large-scale systems to work we must somehow build that dialogue back into

M "What is missing in information retrieval is the dialogue which accompanies our daily informal searches for information, such as when we ask for advice or recommendations in the course of our search. For large-scale systems to work we must somehow build that dialogue back into the retrieval process," says Professor David Blair, pictured here in his Business School office

the retrieval process. . . . We tend to use retrieval strategies on large systems which we developed for searching on much smaller systems. We are like the customer in the foreign restaurant wondering why we can't get the dinner we want.

"Companies survive and prosper because of their ability to make effective decisions, and decision-making can be no better than the information on which it is based. When the information needed to make a decision is contained in documents, then the decision-making ability of the organization will be unavoidably dependent on how effective its information retrieval capability is."

Blair's book has been reviewed extensively. Said B. Brookes of City University, London, writing in *the Journal of Documentation*, (Blair has written) a "wide-ranging and thorough critical survey of modern linguistics to which he devoted 120 closely argued pages. Throughout that survey I was impressed by the balance of his judgments and by his tenacity of purpose."

D. Fairhall of Ballarat University College, Australia, writes, "Blair's is avowedly not an introductory text. It is one of those all too uncommon attempts at once to review and appraise the state of knowledge in information retrieval, (to make) a clear statement of the dilemmas of both the science and the art, and to speculate about the likely path ahead. . . . I would strongly recommend the book to all who are concerned with the information retrieval process. . . . It is an important book which dares to think beyond the current state of knowledge, while being very clear in its assessment of that knowledge."

In the first three chapters, the book addresses itself to the nature of information retrieval, the principal formal models of information retrieval, and the evaluation of information retrieval systems. Chapter 4 is entitled "Language and Repre-

sentation: The Central Problem in Information Retrieval." The book then goes on to a section on communication and adaptation, and information retrieval and the nature of scientific theory. It concludes with a discussion of the problem of evaluation and a section on artificial intelligence and information retrieval.

"I would strongly recommend the book to all who are concerned with the information retrieval process. . . . It is an important book which dares to think beyond the current state of knowledge, while being very clear in its assessment of that knowledge"

**- D. Fairhall
Ballarat University College
Australia**

Commenting on the book in *Library Quarterly*, S. Harter of Indiana University wrote: "This is a different and ambitious treatment of information retrieval. . . . The problem of representation is the major issue in this provocative book. . . . The first three chapters develop some intriguing ideas that have heretofore been largely ignored in the literature, that seem to me to offer considerable potential for the development of a theory of information searching. These include the fallacy of abundance . . . the prediction criterion, and the futility point criterion. Blair argues convincingly that inefficient strategies result from these phenomena."

The Definitive Textbook on Simulation

Another important book from the CIS department is entitled "An Introduction to Simulation Using GPSS/H," by Thomas J. Schriber, professor of computer and information systems, published by John Wiley & Sons. "This is the definitive textbook on using this powerful discrete-event simulation language," writes reviewer Julian M. Scher of the New Jersey Institute of Technology in the magazine *IEEE Software*. "Schriber has splendid style in meticulously presenting the material, maximizing your insight, and motivating you to learn more about simulation of GPSS/H."

In 1974, Tom Schriber's first book, *Simulation Using GPSS* arrived on the scene, and quickly became one of the most popular simulation books ever published. Known as the Red Book, this landmark work set new standards in the field of simulation. Schriber's new book promises to become the classic for the '90s.

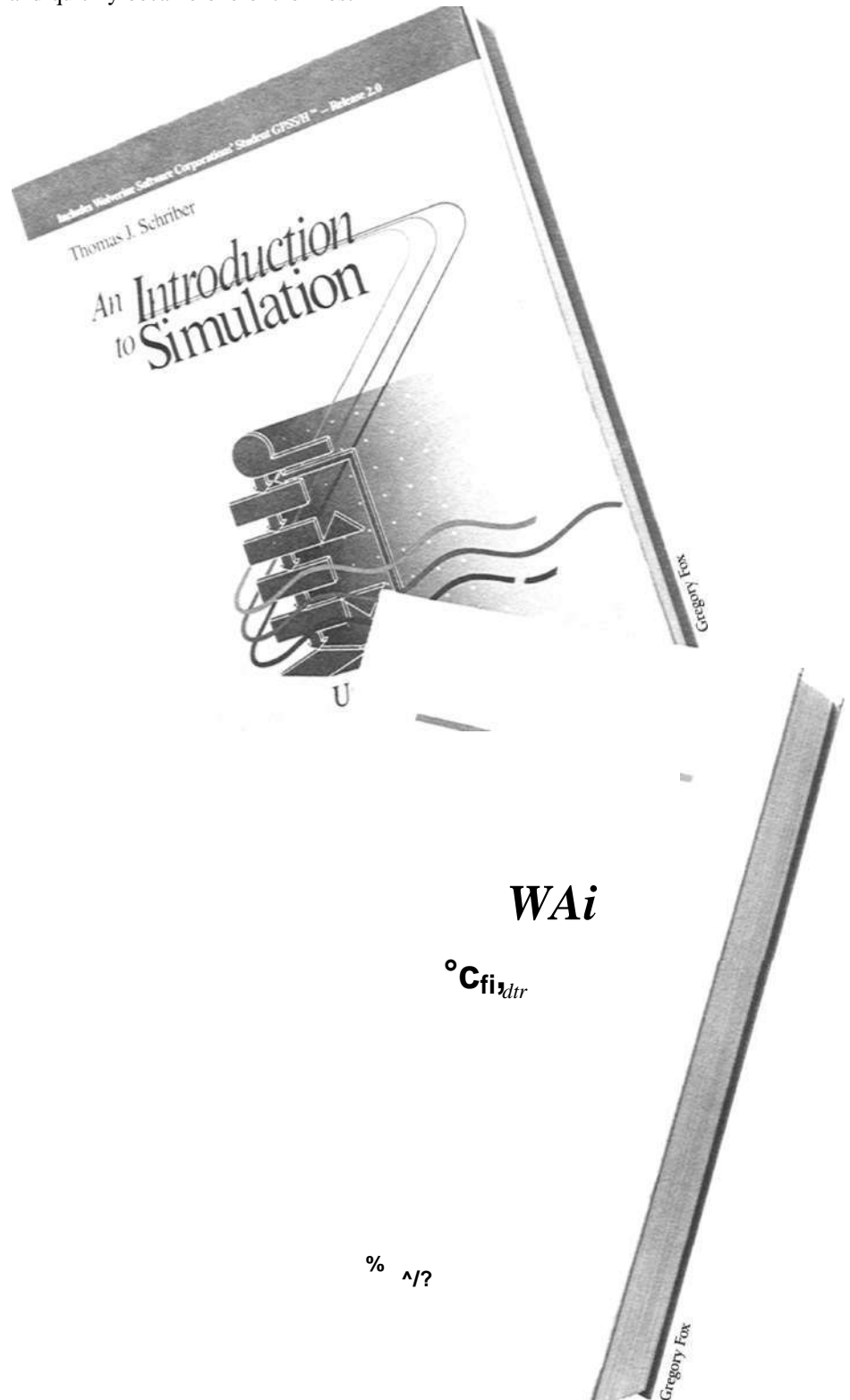
"Schriber uses many simulation studies, primarily from manufacturing applications, to illustrate the language's power. Exercises (many with guided solutions) are plentiful.

"In concluding chapters, Schriber most successfully integrates several key statistical methods used in the design and analysis of situation experiments, such as replications, confidence intervals, antithetic variants, and selection of competing alternatives, including examples and the GPSS/H support of these methods. Thus, the textbook is not merely a book about a language, but one that also captures many

of the statistical methodologies needed to produce meaningful simulation studies for decision-making."

In 1974, Tom Schriber's first book, *Simulation Using GPSS* arrived on the scene, and quickly became one of the most

popular simulation books ever published. Known as the Red Book, this landmark work set new standards in the field of simulation. Schriber's new book promises to become the classic for the '90s.



B-SCHOOL ALUMNI ESTABLISH PAN-EUROPEAN CLUB



Gregory Fox

Officers of the newly-formed European Michigan Alumni Club (EMAC) are (left to right) Karim Bitar, vice-president, who is now working at McKinsey & Co. in Rome; Alexander Hardy, president, who is working at SmithKline Beecham in London; and Mark Amblard, who is an operations manager with Peugeot in Paris. The three are establishing a database for members and urge all alumni in Europe to contact one of them with your name and address.

A Paris reception on February 13, 1993 will inaugurate the European Michigan Alumni Club (EMAC) of the Business School which is planned to serve as a focal point for alumni in Europe. Both Dean B. Joseph White and Professor of Corporate Strategy C. K. Prahalad will attend the reception. The Club will also undertake joint initiatives with the Admissions Office and the Office of Career Development of the Business School.

"One of our most important goals is to find current addresses for all Michigan Business School alumni living in Europe," said Alexander Hardy, MBA '92, president of the new Club, who is living and working in London. "We urge European alumni of the Business School, or graduates of the Business School now working in Europe, to get in touch with us. We are interested in your ideas and input as this Club is

run by alumni primarily for alumni. We are also looking for people willing to talk with European applicants to the Business School so that they can be in touch with someone who has a first-hand experience of Michigan."

The mission of the club is four-fold, according to second-year MBA student Henrik Gernow of Denmark, who is one of the vice-presidents of the group. He says the Club plans to facilitate networking amongst alumni in Europe; support recruiting of top European students to the Michigan Business School; support placement of Michigan Business School graduates in Europe; and raise the general awareness of the Michigan Business School in Europe.

The Club plans to publish a newsletter twice a year and to have an annual meeting/dinner. They have now estab-

lished a database for their members and plan to send it to members once a year.

For more information about the Club, or to add your address to the database being created, please contact one of the Club officers whose names and addresses are printed below:

- Alexander Hardy, President
17 Cranmer Court
London SW3 3HN UK
Telephone (071) 581-5675
Fax (071) 584-0086
- Karim Bitar, Vice-President
Via Delia Mendola 82
00135 Rome, Italy
Telephone (6) 331-1421
- Marc Amblard, Vice President
32, Route du Grippot
90200 Grosmagny, France
Telephone (84) 29.02.31

Brad Keywell is Both a Dreamer and a Doer

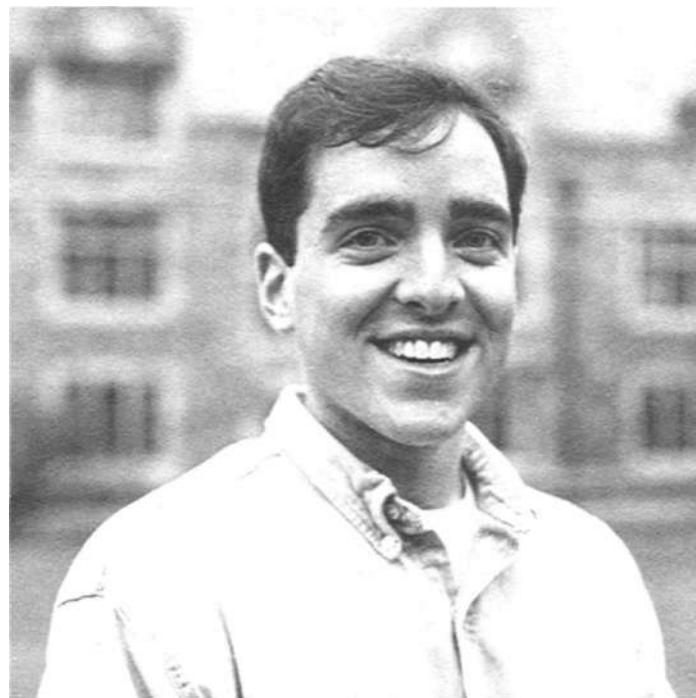
By Charles O'Neill, MBA '93

There are times when the ideas are coming so fast that 22-year-old Brad Keywell has trouble sleeping. But you won't catch this young entrepreneur counting sheep. He gets the most out of his bouts with idea-induced insomnia. He puts it all down on paper. From new products to new training methods for the half-marathons he likes to run, Keywell both dreams and does.

In fact, his first entrepreneurial venture at Michigan was dreamed up during one of those late night idea jam sessions. When just a mere freshman, Keywell sold posters featuring a modern, artistic rendering of the block "M" and the title "Painting the Perfect Picture, The University of Michigan."¹

The poster sold out of its first run of 1,200, and the second run of 1,200 posters is currently more than half sold.

The artwork was the result of a competition that Keywell offered through the U-M School of Art. The prize included cash plus a cut of the poster profits to the winning design, which was selected with the help of art teachers at Keywell's alma



Brad Keywell, BBA '91, has always been entrepreneurially minded.

mater, Cranbrook-Kingswood High School in Bloom field Hills. The designs were judged on both artistic quality and marketability.

He financed his venture with a \$4,000 loan that his father co-signed.

Figuring the Ann Arbor Art Fair would be the perfect time to launch his product, Keywell placed his poster on consignment in four area stores and went confidently

off to tennis camp. But when he returned to campus, he found that his new venture had, . . . well, . . . bombed.

"It only sold in the single digits despite the half-million people in town for the art fair," he recalled with a shake of his head. "I was discouraged but I had money invested in this thing."

So, undaunted and determined, he met with corporate buyers for major retailers, and

took out an ad in the U-M alumni magazine. Soon enough, he began to get a flow of mail orders, and "it has just kept rolling ever since." He was able to pay off his \$4,000 loan within five months.

Refusing to sit on his laurels, Keywell set off with another poster idea. This one featured a hand in the "Number 1" pose. Each finger included a championship ring from the winning teams in Michigan during the 1980s. Keywell was able to get this poster placed in Hop-In and Dunham's stores throughout Michigan.

However, that poster proved to be less successful than the block "M". The problem, Keywell says, was that it included a date. It got a lot of initial orders from the corporate buyers, but no re-orders. "I learned a lesson on that one," he said. "Never put a date on something you hope to keep selling."

Keywell hopes to parlay his block "M" success into similar product ventures at other campuses around the country. He would like to do 12 more posters, with the same concept of a design contest at each

Gregory Fox

school. He also would like to tie in with distribution companies and actually sell the proofs up front.

As he recounts his past ventures, the dark-haired, slim Keywell virtually spills over with intensity. He leans forward, his eyes light up and he recounts each step of the processes he went through in putting his poster on the market. Far from blowing his own horn, he seems to be using the opportunity to re-examine what he did right and what he did wrong.

In fact, getting him to blow his own horn is rather difficult. When asked what makes him different from the average business school student, he merely shrugs and says, "That's a good question."

With a father who founded his own law firm, Keywell has always been entrepreneurially minded. He made and sold greeting cards as a youngster, and thrives on the independence and challenge of distance running.

"When you work for yourself you can just stop and go running whenever you want," he says. A founder of the Michigan chapter of the Association of Collegiate Entrepreneurs, Keywell was honored by that group in 1991, when he was selected one of the nation's "Top 10 Collegiate Entrepreneurs," for his publishing company endeavor. The selection process required detailed descriptions of his business ventures and interviews with his college professors.

Keywell gives special credit for his entrepreneurial success to two classes he took while at the Business School. As a sopho-

more, Keywell was able to talk his way into an MBA class entitled "Failure 101," taught by visiting professor Jack Matson. Officially the entrepreneurship class was open to graduate students and senior bachelor's of business administration (BBA) students only. But with the poster venture to his credit, Keywell got in.

Once in, Keywell developed enough of a rapport with the professor to be asked to help research a book Matson was writing, entitled, "How to Fail Successfully' Prof. Matson believes that no concept is more important to the entrepreneur than failure. His class nurtured a willingness to take risks — including the risk of ridicule. "If you're not experiencing failure, you're not risking. If you don't have any failures going on, you need to wonder what you're missing," says Matson.

The next year, Keywell took another entrepreneurship class with Prof. Fred Keisner, and this time he was able to set up an independent study. Prof. Keisner was oriented toward business plan preparation and research. "He wanted you to play it all out on paper first," said Keywell, adding that his aim in the future is to blend those two emphases.

At the Business School, Keywell focused on real estate and entrepreneurship, and was able to land a coveted internship in the summer between his junior and senior years. Following a determined and persistent effort, he was able to secure a summer internship at The Equity Group in Chicago, the firm founded by the successful industrialist and real estate developer Sam Zell. Zell's company is a Chicago-

based nationwide real estate organization which owns and operates a national portfolio of residential and commercial properties.

Zell, who is a long-time friend of the Business School, had initiated the Zell-Lurie Award for the teaching of entrepreneurship at the Business School. Both the entrepreneurship courses that had so inspired Keywell were a result of that initiative.

Energized by his summer's internship, Keywell was able to blaze another new path by attending the London School of Economics for the first semester of his senior year. The international semester is a program that he is now helping the administration to investigate as a possible regular option for senior BBAs.

As a graduating senior, Keywell interviewed with and received a number of offers from major investment banks. The glitz and glamour intrigued him. But he had also applied and was accepted to the University of Michigan Law School, where he is now a first-year student.

"Law provides you with the foundations," Keywell says. "It teaches you how to think; how to argue from both sides; to think before you speak; and it gives you confidence in your ideas." This winter he enrolled in business related courses — tax law, enterprise organization, contracts, and he plans to intern this summer with a business, not a law firm.

Looking back, what has this young entrepreneur learned? "Well," he says, "I have learned to think more before I spend money.

"But not too much."

Alumni Add Expertise

By Jeff Mortimer

There were 16 alumni among the nearly 200 participants in last February's second annual Business School Diversity Forum.

That's 16 more than there were the year before. And that's exactly the way Andre McKoy who chaired the Forum this year, wanted it.

McKoy, MBA '92, and the day's other planners sent invitations to 120 alumni, along with a list of diversity-related problems that were developed in a series of student focus groups. Each problem was followed by four possible solutions. The alums, who were chosen for their international expertise, candor, and ongoing involvement with the School, were asked to assign each solution a point value between -40 and +40.

Participants in the Forum were divided into seven groups of 26 to 28 members

each and asked to consider the same problems and solutions that had been rated by the alumni. Two alumni were present in six of the groups and three in the seventh.

Although the alumni surveyed were asked to evaluate all the solutions to each problem, teams in the game were only permitted to pick one. (For a sample problem and its proposed solutions, see accompanying box.)

The consensus of the alumni responding to the sample problem printed here was that the first response was worth 15 points, the second 25 points, the third was a minus 25, and the fourth was a zero.

The second response was also the one favored by the student-alumni teams, although not without considerable discussion. One participant said his team settled on the second response because

"there was a caveat saying we could monitor the situation closely. If we saw that sensitivity training didn't work, we could take stronger action."

"Two is certainly a good answer and there's no question it's politically correct," said a member of another team, "but if you look at a guy working for a big company, he's probably been exposed to lots of information already. At some point, there's some value associated with making an example of an employee who has violated the basic policy of the company"

"He doesn't need to change his personal feelings," said another. "But he needs to be made aware that his personal feelings can't be applied on the job. Maybe he wasn't aware that the company's 'broad' policy included homosexuals" The alumni mentors were there to suffuse the proceedings with pragmatism, and that's just



Students, faculty and alumni met in small groups to discuss issues connected with diversity.

Gregory Fox

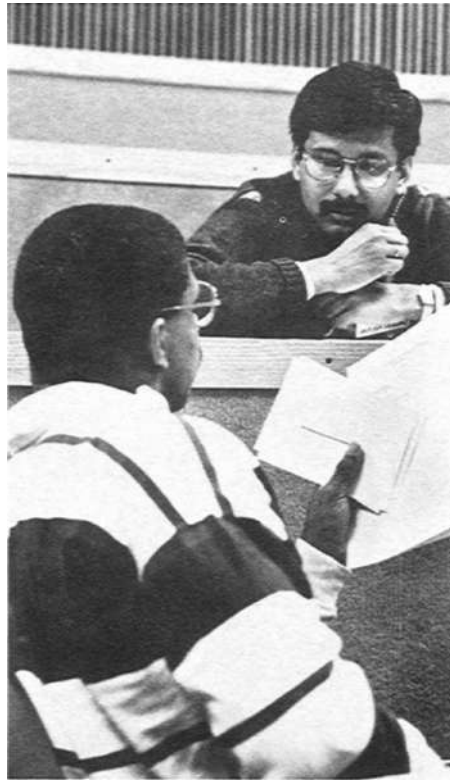
to 2nd Diversity Forum

what Carleton Griffin, BBA '50, MBA '53, JD '53, and a professor of accounting, did.

"What if there's no money for sensitivity training?" he asked. "Doesn't the emphasis have to be to get to the specific case with this person? And I don't mean a friendly chat. If he comes out of the closet as homophobic, and you fire him, you're setting yourself up for a lawsuit. If you have a strong talk with him and it's on his record and he does it again, then you can fire him"

After an hour or so, the diversity game groups were further subdivided into smaller discussion groups, with an alumnus assigned to each. A student facilitator distributed index cards on which participants anonymously listed the workplace diversity issues they deemed most important, bearing in mind McKoy's advice to "be hard on the issues but soft on the people."

McKoy visited as many of the game and discussion groups as he could, and said he was pleased with what he found. "This



was an environment of an exchange of learning," he said. "It wasn't dominated by alumni or students or faculty or staff. In that respect, it met my expectations."

In fact, according to McKoy, most of the alumni said they learned more than they taught. Cleveland A. Christophe, MBA '67, and vice president of Equico Capital Corporation, was among the satisfied alumni customers. "I was very enthusiastic about participating and curious to see if I had any insight to offer," he said. "I think it was definitely worthwhile, although it's kind of hard for me to gauge whether the students thought I had anything to say that was worthwhile."

Christophe was especially impressed by the complexity of the students' responses in the sessions he attended. "I didn't hear a great deal of simple-minded thinking," he said. "People were dealing with their own perspectives and backgrounds and beliefs, and were genuinely wrestling with their own consciences."

HOW WOULD YOU HANDLE THIS SITUATION?

You are a regional vice president with five plant managers reporting to you. Your company has a broad non-discrimination policy. Recently, it has been brought to your attention that a very talented single male, who has held the position of assistant director of production for three years, has been passed over for a management position for the second time in nine months. Upon inspection of his file, you find an unblemished record with excellent performance reviews. Therefore, you decide to talk to the plant manager responsible for promotions to determine why the employee has not been promoted. In the discussion, your plant manager explicitly states that the assistant director is known to be homosexual and, therefore, the plant manager feels he lacks the moral integrity necessary for upper management. Consequently, the plant manager has no inten-

tion of ever promoting him past his present position. Knowing the company's policy concerning discrimination and the desire of the company for a diverse workforce, you:

- f1) Dismiss the plant manager for violation of company policy and make him an example of the company's policy of not tolerating discrimination.
- (I) Promise sensitivity training to all your plant managers, and counseling to the specific plant manager. Monitor the situation closely.
- (Y) Do not interfere with the manager's decision.
- (V) Since the employees record contains no discriminatory remarks, transfer the employee to a different plant manager.

2nd Diversity Forum

Christophe said he had a similar experience when he received the survey. "I sat down with the privacy of my own thoughts and wrestled with those," he said. "They weren't easy. Then I turned to several of my colleagues and asked them to answer. Our scores were not at all the same."

Even though he's based in New York, participation in the School's affairs has become routine for Christophe. "At the instigation of Gil Whitaker in 1988, I started to become increasingly involved," he said. "Now I seem to be getting back to Ann Arbor five or six times a year. I just say it's something that pleases me a great deal"

The situation was different, but similarly pleasing, for Julia Kossack, MBA '88 "This is the first time I've been invited to speak at a university event from a workplace perspective," said the project manager for

international export sales at General Motors. "Part of the reason I came was curiosity. I think it was a very good thing. I'm glad I went."

She also felt she was able to inject a viewpoint the Forum needed. "It's important to look at the issues they're bringing up from an international perspective," she said. "Every company has its plate full trying to work these issues out domestically, but you have to look at how things change when you're working in an international context." For example, she cited the case of a company whose Middle East expert was a woman. "Are you going to send her to negotiate in Saudi Arabia, where she can only get a visa if she's accompanied by her closest male relative, or is a renowned expert in her field?", Kossack asked.

Perhaps that issue can be addressed next year. Most of the participants, including the alumni, "strongly indicated that we must have something like this again," McKoy said. But most of the participants also felt that dealing with diversity cannot and should not be isolated in one course or one forum.

"Like quality, diversity needs to be integrated throughout the School and the curriculum," said one student. "It isn't so much something someone can teach as something we need to learn."

McKoy said he invested himself in this project because "I believe we had a very diverse student body, but were we using it? My answer was 'no! We typically stereotyped each other.'"

"Finding out why will only make us better managers."



Gregory Fox

Problems and Projects **FOR EC '92**



Members of the AT&T team are pictured here. Left to right, they are Michael Koch, AT&T Director, Correspondent Relations; Scott Finch; Colleen Harkness; Kirsten Nieradtka; P. C. Berndt; and Ashley McCorkle

*By Deanna Bremer and
Joseph Kostolansky*

Project-oriented Course Results in Four Company Sponsored MBA Teams Working on EC-Related Problems

"^^^W ur team's presentation turned I • into a dynamic dialogue between ^^ ^^ our group and the company representatives," said first-year MBA student Katrin Hillner of a meeting with TRINOVA executives. "All the hard work we put into preparing for the meeting paid off. I learned more from that one experience than I've learned in a hundred case discussions."

Katrin was one of 23 MBA students who spent the spring break in Europe as part of a project course in which problems were made available by sponsoring firms to teams of students consisting of about six members each. Each of the four student groups worked on a corporate problem relating to the European Community. The four sponsoring firms —

Colgate-Palmolive, AT&T, Johnson Controls, and TRINOVA — not only provided information concerning the problem selected, but also put the teams into contact with designated European sites for an in-depth exposure to the firm's problem from the subsidiary's point of view

On returning to Ann Arbor, the teams completed written analyses and made oral presentations to representatives of their sponsoring firms, each of which had provided \$1,000 per student to help defray costs.

"There is no substitute for seeing first-hand what is going on in European manufacturing operations," said Dr. Allen Spivey professor of statistics and business administration, who coordinated the course based

on a format suggested by students. "Such a hands-on international experience enables students to experience first-hand the complexity of the cross-cultural problems that global businesses face."

Before going to Europe, students received in-depth classroom learning from experts throughout the University. James Adams and Morris Bornstein from the economics department provided background on the development of the European Community and the impact of events in Eastern Europe on the EC '92 initiative. John Jackson, professor of law, spoke about the effect of trade policy prospects and GATT on European business. Gunter Dufey professor of international business and finance at the Business School, discussed the implications of financial market integration in Europe.

After this classroom preparation, students embarked on their trip to Europe and began work on the following specific projects:

For four days, the Colgate-Palmolive student team met with the general managers of the Oral Care Division in Brussels. The team's mission was to investigate the major issues and understand the commonalities affecting Colgate's image among dental professionals in EC countries. They examined the management and marketing of oral care products throughout Western Europe; then developed recommendations to be used in the European Oral Care Division's strategic plan. They presented their recommendations to J. N. Vinke, head of the Oral Care Division in Europe, who later came to Ann Arbor for the team's final presentation.

The Johnson Controls team visited three manufacturing facilities in Belgium and Germany, where JC manufactures automotive seat systems for Renault and Opel on a Just In Time basis. The team discussed issues with plant managers and the European marketing director, and worked on strategies to allow the company to take advantage of the opportunities in Eastern Europe, and thereby improve their competitive position. They presented their analysis and recommendations to John Barth, divisional vice president and



Two members of die Johnson Controls team in Paris. They are Mike Mettler (left) and Mike Smith.



Members of the Colgate-Palmolive team in Brussels included, left to right, Cynthia Sayers, Alicia Lapidis, Kaushika Patel, and Cyndi Applegate. Not pictured is team member Joseph Kostolansky.

general manager; Susan Davis, MBA '83, director of organizational development; Louis Senunas, vice president for quality, program management, and manufacturing technology; and Jay Schultz, vice president of engineering.

The TRINOVA team was hosted in Frankfurt and Baden-Baden, Germany by E. T. Smith, automotive group vice president. The team met with managers from Germany the U.K. and Spain to discuss how to transform the automotive group's country-focused facilities into a flexible organization with Pan-European significance. The team toured three manufacturing facilities, and held panel discussions with top European managers. Back in Ann Arbor, they presented their recommendations to Howard Selland, MBA '83, president of TRINOVA's Aeroquip Division; E. T. Smith; Bonnie Dean, group vice president for International; and five other vice presidents.

The AT&T team, in Amsterdam, worked with the managing director of AT&T Benelux, and in The Hague, the group met with the financial director of the Netherlands Postal Telephone and Telegraph. In Brussels, the team had interviews with several staff members of the EC Director General in the areas of external affairs, of competition, and of telecommunications. They examined the management of the rate-negotiating process between AT&T and European telephone companies. At the end of the term, they presented the results of their analysis to five top managers via a videoconferencing hookup between AT&T's facility in Southfield, Michigan, and corporate headquarters in New Jersey.

After their company visits, the class reconvened in Brussels for visits to the various Directorate Generals within the EC Commission that dealt with each group's industry. To gain insight from the perspective of a top management consulting firm, the class attended a special lecture by a European Community expert at Arthur Andersen. As headquarters to the EC, Brussels contains a complex bureaucracy consisting of local, regional, domestic, and EC organizations and regulations. Johnson Controls' team member Mike Smith commented, "Although the resources within the EC are vast, I learned first-hand

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The TRINOVA team arrives in Frankfort. Left to right, they are Karim Bitar; E. T Smith, group vice president of Aeroquip, the TRINOVA company working with the team; Deanna Bremer; Katrin Hillner; James Chik; and Alexander Hardy. Not pictured is team member Peter Gable.

of the difficulties and complexities which face European corporate managers when they attempt to obtain appropriate information and take actions"

At the end of the week, students traveled about 20 kilometers outside Brussels to the University of Leuven, with which the University of Michigan Business School has a joint venture. Leo Sleuwaegen, professor of strategic management, spoke about European integration from a strictly European point of view. Afterwards, University of Leuven MBAs hosted Michigan MBAs for dinner and a night on the town. Students exchanged their views on the EC, world politics, and job prospects for graduating MBAs, and indulged in Belgian chocolates and beer.

On returning from the European trip, students heard lecturers who provided information more specific to each team's

"Although the resources within the EC are vast, I learned first-hand of the difficulties and complexities which face European corporate managers when they attempt to obtain appropriate information and take actions!"⁷

project. Thomas Roehl, international business faculty member, spoke of Japanese direct investment in Europe. Heinrich Blomeke, director of the Goethe Cultural Institute in Ann Arbor, discussed political and cultural perspectives in the recently unified Germany. And finally, David Andrea, MBA '85, senior research associate at the University's Office for the Study of Automotive Transportation, discussed his organization's research findings with the two teams that worked on automotive industry projects.

All of this year's sponsoring firms, as well as three new firms, have expressed interest in sponsoring a team of students if a European course is to be offered again. Discussions are also underway to explore expanding the course concept to include India and possibly Japan.

What a Colorful World!

Maria Jordan, MBA '91, Founds Mail Order Company
Specializing in Culturally Diverse Toys



Maria Jordan, MBA '91, is pictured with some of the multicultural educational toys she sells through her mail order company

By Nicole McKinney

When her friends started having children, Maria Woodruff Jordan, MBA '91, noticed that store shelves lacked products geared specifically to children of color. At the same time, she saw problems increasing in the African-

American community. But multicultural products that could do something to help the self-esteem of young children were hard to find, if to be found at all.

Where could parents find these products?

Jordan asked herself that question and decided to do something about it by founding Colorful World Inc., a mail-

order company specializing in culturally diverse educational toys for children ages 3-12.

Since last May, she has formed a corporation, tracked down a product line of well over 40 products, mailed out over 10,000 catalogs and is already expanding her product line and adding staff.

"Children aren't taught much about their own cultural

history until they're in junior high and high school. By that time, much of what they've learned is based on stereotypes and negative images," says Jordan. "I began Colorful World because I want to make a contribution by helping the self-esteem of children of color at early ages," she adds.

Jordan challenges unfavorable images with a broad line

of over 40 products including educational board games like Black Explorers, a math adventure game; and In Search of Identity, a game dedicated to exploring Black heritage. Traditional fairytales feature African-American characters. Puzzles and coloring books, playing cards, and history books are all in African-American format. Black action figures based on the U.S. 369th infantry and dolls with ethnic features round out the list.

Jordan began the Michigan MBA program intending to enter the corporate sector as a brand manager. She had worked for four years in sales with the consumer products division of a Fortune 500 company, but felt she had gone as far as she could go. The MBA, she hoped, would put her ahead of the rest.

But midway into the program, she realized that many options available for MBA graduates required too much mobility. Jordan and her husband had recently moved from Chicago to Michigan when her husband was transferred, and were not interested in relocating again. So she decided to use her business expertise in the mail order venture.

She started working toward her own business during the MBA program, taking classes in entrepreneurial ventures and management. For a course in entrepreneurial management, Jordan wrote a business plan for Colorful World Inc. In a market research class, she surveyed 125 people on where they shopped for multicultural products, what types of products they looked for, and why they weren't buying more of them.

"We found that people weren't buying these products because the products were hard to locate," says Jordan. "Colorful World makes it easier for parents to find these products."

Though many multicultural toys often come from low-profile manufacturers and artisans, Jordan was able to track down 40 products for Colorful World's first catalog. She attended a Toy Manufacturers of America toy fair in New York City to establish business relationships with suppliers, and also searched through catalogs and other publications for products to include.

The current product selection is geared primarily toward African-Americans, with 90 percent of the toys made by African-American artists and writers. The remainder come from mainstream manufacturers, and many of the products are also available through mainstream distributors.

But Colorful World is unique in that it brings the toys together in one place to give parents a choice, says Jordan, who also intends to include toys for Hispanic, Native American, and Asian-American children.

Children favor books with titles like "Designed by God So I Must Be Special," and "Cinderella" and "Little Red Riding Hood" fairytales in an African-American format. "Jamako and the Beanstalk" replaces the ever popular "Jack and the Beanstalk" in Colorful World.

Much of what Jordan does, she does alone, but she still credits a support network for how far her business has come in such a short time. Initial funding came from family and friends, and friends aggressively

market her catalogs. Jordan's husband, with an MBA from Northwestern University, is also active in the marketing and the future direction of the company. Jordan's father, owner of a car dealership, gives support and understanding as an entrepreneur, while her mother, a retired librarian, provides educational insights.

Last summer, Jordan brought Colorful World to the Black Expo in Indianapolis, an annual exposition featuring African-American products and services. She not only sold some of her smaller products like books and posters, but also talked to parents and children about what they'd like to see from a company like Colorful World.

"The Expo gave me the opportunity to do some field research, outside of family and friends, by talking to parents directly to get an idea what products were most appealing, as well as to let people know I'm out there" Jordan says, adding that she feels the key to success lies in providing exceptional customer service.

Jordan mailed 10,000 catalogs in October to customers she gained at the Expo and a purchased consumer mailing list. Now she has expanded her company to include educational sales representatives for presentations in schools on how the products can be integrated into a multicultural curriculum, as well as in churches.

"Parents and schoolteachers often suggest toys that they've seen in an article and Colorful World will go out and search for it," Jordan says. "When a school wanted products for a felt board, we found a supplier at the toy fair who had international children in felt figures"

Jordan is surprised by the large response she's received from interested parents as a result of articles in *Crain's Detroit Business* and the *Lansing State Journal*. Encouraging letters from parents reinforce Jordan's personal commitment to please her customers — all of which make everything seem worthwhile beyond the financial impact of owning her own business.

"I love what I'm doing and I feel good about it," she says, as she fervently tackles day-to-day activities, single-handedly taking mail and phone orders, working with suppliers, and running back and forth mailing out orders from her well-stocked office full of boxes of books, dolls and puzzles, and other toys.

Even toys like the handmade "Lit'ler Souls" dolls are stocked well ahead of time, says Jordan, who maintains her company policy of shipping orders within 72 hours by anticipating the demand for these distinct crafted dolls.

"I want to have the same kind of customer satisfaction as an L.L. Bean or Lands End. I want to be the place that people come to when they want these products," she says. "We've modeled ourselves after premier mail order companies, and our success will be based on building a reputation for good service and our level of customer contact."

Now when Jordan's friends have children, they won't have to search to find the kente-clothed Super Style Huggy Doll with ethnically-correct features or the Sun Man superhero action figure. They'll only have to go as far as Colorful World.

Michigan in the

News of the William Davidson Institute spread quickly in the nation's media. In addition to extensive news coverage and editorials in Detroit-area newspapers, the electronic media and the wire services, there were articles in *The Wall Street Journal* and *The Chronicle of Higher Education*. Internationally, the story appeared in two Budapest dailies, a Hungarian monthly business publication, a Budapest radio station, TASS, the Czechoslovak News Agency, the Hungarian News Agency and the Press Trust of India.

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Dean B. Joseph White discussed his views on MBA programs in general and Michigan's in particular in a Sunday May 3, *New York Times* article, entitled "MBA in Reality" He discussed several of the Michigan curriculum innovations, including our MAP program that places Michigan MBA students in companies for a period of real-world training; our global citizenship initiative; and the new William Davidson Institute inaugurated with a \$30 million

gift in April. White was also quoted in a January 27 *Time Magazine* article on management trends.

Professor of Business Economics Joel Slemrod's expertise on all matters tax related was used in recent stories in *Business Week*, *The New York Times*, and *The Wall Street Journal*,

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Booth Newspapers, a Michigan chain, featured quotes by Daniel R. Denison, assistant professor of organizational behavior and human resource management, on self-managed work teams, and by John Jackson, professor of political science and business administration, on the Michigan economy and how small businesses are creating new job opportunities.

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John Ettl, associate professor of operations management and director of the School's Office of Manufacturing Management Research, was

quoted in *Fortune Magazine* and the *Everett* (Washington) *Herald* on potential problems with the manufacturing process at Boeing. You also will see an Ettl column every other month in the publication *Production*.

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Professor Kim Cameron's insights on downsizing keep appearing in print, most notably in an April *Business Week* article on General Motors' Pontiac-West assembly plant, which will close in 1994. Cameron is professor of organizational behavior and human resource management.

Assistant Professor of Accounting Charles M. C. Lee's study showing that stock brokers appeared to be profiting from channeling trade to certain stock exchanges appeared in articles in *The New York Times*, *The Los Angeles Times*, the *San Francisco Chronicle* and was carried by the Associated Press. Shortly after the AP story a Securities

and Exchange Commission official told *The New York Times* he intended to review both Lees work and similar research from the University of Pennsylvania. After studying transactions from 500 New York Stock Exchange-listed companies during 1988-89, Lee concluded that investors might be losing millions of dollars as a result of the diversion of orders away from the NYSE.

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Corporate strategy professor C. K. Prahalad was named 1991's top management gum by the European magazine *Bilan*. Another European publication, *Elsevier*, did an extended article on Prahalad, citing his role as advisor to Philips. Last year, the *L.A. Times* called Prahalad "the hottest consultant in America."

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A *Washington Post* profile on March 8 of General Electric Co. Chairman John E. Welch, Jr. included this observation by Noel Tichy, professor of organizational behavior and human resource management: "I think there will be two CEOs we remember when we go into the 21st century: Alfred Sloan (of General Motors Corp.) and Jack Welch."

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Should Chapter 11 of the U.S. Bankruptcy Code be scrapped, drastically revised, or merely fine-tuned? The first course was urged in an article in the *Yale Law Journal*, co-authored by Michael Bradley, professor of business administration, finance and law, and Michael Rosenzweig, an Atlanta attorney.

According to an adaptation of their article in *The New York*

Times of March 8, their analysis showed "that the average bondholder suffered a relative loss roughly 67 percent greater under Chapter 11 than under previous law" and that stockholders "lose almost 100 percent" of their investments, compared to a little more than 50 percent under the old law.

On March 19, *The Wall Street Journal* described their article as "drawing fire from a group of bankruptcy lawyers representing creditors, debtors and lenders. . . . Sterling National Bank & Trust Co., which has financed many Chapter 11 reorganizations, has organized a group of attorneys to strike back."

The name of George Siedel III, professor of business law, cropped up in several stories about the controversy sur-

rounding Dow Corning Corp's breast implants.

On February 12, he told *The Detroit News* that the potential public relations disaster also threatened parent companies Dow Chemical and Corning, who were "walking a public relations tightrope" by trying to distance themselves from Dow Corning even as they attempted to steer its image problems away from them.

The March 8 edition of the same paper reported Siedel's view that "in the event that huge court judgments prompt Dow Corning to seek protection under federal bankruptcy laws, implant litigation could be turned toward the parent firms."

And Dow Corning's decision to pull out of the implant market "could be bad news for consumers," Siedel said in *The News* of March 20. "With . . . only two players left, they are

in a better position to raise their prices to cover the risk."

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When the Securities and Exchange Commission mled that publicly traded companies cannot refuse to let shareholders have a vote on executive pay, the investment community showed its approval in no uncertain terms, according to David Wright, assistant professor of accounting. *USA Today* reported on March 6 that Wright analyzed the stock prices of such companies for the first six trading days following the SEC's announcement and found that "the more executives are paid or overpaid, the more likely . . . the firm's stock price has risen over that period."

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"While many other MBA degrees have lost their shine, U of M's premier business

credential is still paying off,' according to a story in the November 1991 issue of *Corporate Detroit*. One reason, according to the article: "After a survey of businesses that have hired Michigan MBAs showed that students need more exposure to real corporate problems, team projects and methods which can improve their communication skills, the school revised its curriculum."

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A survey of its 1,000 "elite" companies published in the November 25, 1991 edition of *Business Week* showed that "state (business) schools with the most CEO alums are Wisconsin, Michigan and Texas" Among state graduate schools, "Michigan was the leader, with 16 CEOs earning graduate diplomas in Ann Arbor'



Accounting Professor James E. Wheeler teaches a class as the ABC cameras roll. Wheeler was one of the sources featured in an April *Prime Time Live* segment on the practice of transfer pricing, where foreign companies transfer profits back to their home countries and avoid paying U.S. taxes.

OURSELVES



Robert Briggs, MBA '28

Alumni Board Chooses Robert Briggs, MBA '28, to Receive Achievement Award

Robert P Briggs, AB '25, MBA 78, received the Alumni Achievement Award of the Business School's Alumni Society Board of Governors this year. "Through a long and successful life, he has always used his talents to guide himself and others toward the highest standards of citizenship and service and achievement in both the public and private realms of his life," read the citation.

Briggs has had a long and distinguished career in both academia and business. In 1927, he started teaching at the U-M as an instructor, becoming an assistant professor in 1935, an associate professor in 1940. From 1941 -44, he was chief general officer for accounting for Detroit Ordnance District of the War Department, and in 1945 he returned to the University as professor and vice president for business and finance, a position he held for six years.

In 1951, Briggs resigned as U-M vice president to become vice president and executive director of Consumers Power Company; he was promoted in 1952 to executive vice president and director, a position he held until 1968, when he was appointed Commissioner of the Michigan Financial Institutions Bureau by Governor George Romney. He was reappointed to that post by Governor William Milliken and served in that position until 1973. He also served as a member of the U-M Board of Regents from 1964-68.

Briggs was also a director, department chairman and chairman of the Federal Reserve Bank of Chicago (1956-64); consultant to the Defense Department's advisory committee on fiscal organization and procedure (1953); a founder and first president of the Michigan State Chamber of Commerce (1959-61) and a director of

the Federal Home Loan Bank in Indianapolis (1975-79).

Along with all his other activities, Briggs also found time to serve as president of the U-M Alumni Association in 1979-80 and president of the Michigan United Fund. In 1969, he was awarded an honorary LL.D. from the U-M, and in 1961, he was chosen businessman of the year by the Business School. The medal given him at the time recognized a "businessman of accomplishment who has shown an understanding of the responsibilities of business to society and an interest in business education."

The Alumni Achievement Award was presented to Briggs during Commencement exercises in May by Michael Wilson, BBA '84, representing the Alumni Society Board of Governors.

Case Study of Free Trade vs Job Loss Presented in Video

"As business becomes more international, policy-makers and executives are required to make tough choices," Dean B. Joseph White reminds us in the introductory footage of a new video tape, "Your Job or Mine?: Green Giant's Decision to Move to Mexico," sponsored by the Business School.

He is talking about Green Giant/Pillsbury's decision to expand its food processing operations in Irapuato, Mexico, a move which has resulted in the loss of several thousand jobs at a plant in Watsonville, California.

The video concept was developed by LaRue Hosmer, professor of corporate strategy and managerial ethics at U-M, and is the first in a series of productions exploring the ethical impact of business strategies on people, their communities, and the environment. It was created by Video Images, Inc., an Ann Arbor-based production facility and is being used in a graduate course in ethical problems in management.

Funded jointly by the Walter Hedrick and Mary Jackman Fund for Business Ethics and the Carl and Isabelle Brauer Fund for Business Ethics, the tape plays out the ethical dilemmas—through the lives of two factory workers—both young, Mexican, and female. Yolanda, a married woman with 5 children is losing her \$7.50/hour job with Green Giant/Pillsbury in Watsonville, while Virginia, 16, will be making \$43 a week (presumably at Yolanda's expense) at "Gigante Verde" to help support her large (and poor) extended family in Irapuato.

Interspersed with these life-tales are commentary from a vice president at Green Giant/Pillsbury and a financial analyst in New York. They present business's point-of-view, i.e., to survive and continue to serve the American consumer well, companies must go "off-shore," and, further, North American free trade zones are mandatory if the U.S. is to keep up with the rest of the world in free market trade. Michigan Senator Donald Riegle and James Donahue, Secretary-Treasurer of the AFL-CIO, on the other hand, advocate keeping jobs in America, and they are supported by pleas from grass roots labor leaders. The problem is further compounded by Mexico's willingness to exploit child labor and its lax environmental laws, which in the minds of some are "creating a 2,000-mile-long Love Canal at the border."

Scott Masten, Associate Professor of Business Economics and Public Policy at U-M tries to look at all sides of the picture in a search for resolution to this ethical conundrum. Masten concludes that "The interesting ethical problems are tough problems, usually involving trade-offs on all sides. In this case it is comparing the costs to companies and the public to the hardships experienced by some workers until they make transitions to other jobs."



R.J. Agley, BBA '64, MBA '65, chairman and CEO of Talon, Inc.

R. J. Agley, BBA '64, MBA '65, Receives Entrepreneur Award

Randolph J. Agley, BBA '64, MBA '65, chairman and CEO of Talon, Inc., a privately-held investment and management services company, was presented the 1992 Outstanding Entrepreneur Award at the annual Growth Capital Symposium. Agley was recognized last year by *Corporate Detroit Magazine* as one of the most admired CEOs in Michigan.

The award was initiated by the Alumni Society Board of Governors at their spring meeting last year. It honors a U-M graduate for significant accomplishments in starting and building a successful enterprise. First winner of the award was Richard Rogel, BBA 70, founder and chairman of PPOM, a preferred health care provider organization.

Talon, Inc., which Agley co-founded in 1973, employs 6,000 people in 15 states and generates sales in excess of \$900 million per year. Its affiliate operations include F&M Distributors, several manufacturing operations, and commercial and residential real estate development and management operations.

Agley was nominated by President Reagan and subsequently confirmed by the Senate in 1988, to serve as a member of the St. Lawrence Seaway Development Corporation Advisory Board, and was recently appointed by Governor Engler to serve on the board of the Michigan Strategic Fund. He is also honorary director of the John Paul II Foundation of Michigan, vice chairman of the Michigan Cancer Foundation, and finance chairman for the Michigan Republican Party. He also currently holds leadership positions with the Arts Foundation of Michigan and the Detroit Institute of Arts.

Among OURSELVES



Gregory Fox

Associate Professor Narayanan, the 1992 Teacher of the Year.

Students Choose M. P. Narayanan Professor of the Year

The 1991-1992 Student Award for Teaching Excellence has gone to M. P. Narayanan, associate professor of finance at the University of Michigan Business School. This honor is bestowed by Business School students annually to recognize a high quality of teaching. This year marks the eleventh time the award has been given at the School.

Finance students praised Narayanan for making difficult topics understandable and always being willing to help. His approach is equally sensitive to those with extensive finance backgrounds and those with less "numbers" experience. Known as an excellent communicator, Narayanan presents well-designed courses

with a clear focus. Students say he does a great job of comingling theory and application. One enthusiastic student evaluation summed up the prevailing opinion: "Excellent-excellent-excellent professor!!!"

Professor Narayanan received his award at a ceremony in conjunction with Commencement on May 1, 1992. In his acceptance speech he noted that there is a sense of personal achievement in research, but in teaching the reward derives from a sense of giving: ". . . from watching 'light bulbs' turn on in students' minds; from watching their eyes light up when they understand a concept, and from watching their joy of achievement when they solve a problem."

He wished the graduates well, hoping that they would taste the rewards of achievement in their lives, but concluded by saying, "The rewards

of giving; the rewards of making a difference in the lives of others; and the rewards of making an impact, however small, on the society that you live in . . . will dwarf the earlier rewards from your achievements."

Previous winners include Aneel Karnani, associate professor of corporate strategy and international business; Dennis G. Severance, Arthur Andersen professor of computer and information systems; David W. Wright, assistant professor of accounting; Eugene B. Imhoff, Ernst & Young professor of accounting; George B. Cameron III, professor of business law; C. K. Prahalad, professor of corporate strategy; W. A. Spivey, Clare E. Griffin Distinguished Professor of Business Administration; and E. Brian Talbot, professor of operations management.

Executive Ed Previews Help Us Stay Close to the Customer

Corporate participants get the taste and flavor of the Business School's postgraduate educational offerings through an innovative marketing tool, the Executive Education Preview Sessions.

These one-and-a-half-day sessions are designed to establish long-term corporate/University relationships. They allow corporate executives responsible for executive development in their organization an opportunity to gain first-hand knowledge of our executive programs and to see the faculty in action. They also provide a platform for corporate officials and faculty to

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A new, 32 page color brochure • provides comprehensive information about our BBA program. It includes interviews and color photographs of BBA students and Business School faculty.

exchange ideas and explore issues concerning executive education.

"There is a substantial investment of time and money involved in corporate attendance at executive programs," said Stephen J. LaGvita, Executive Education's marketing director and originator of the Preview Session. "Our previews offer an excellent no-risk vehicle for corporations to match the specific needs of their executive participants with the appropriate content of Michigan programs."

Last February, over the course of a day and a half, five senior faculty members from the Michigan Business School capsuled course content and theory in their areas of specialization for 65 Preview Session registrants. Personnel and

human resources executives from a variety of companies attended the event. Represented were firms as diverse as American Cyanamid, Eastman Kodak, First of America Bank, Ford, General Motors, Steelcase, Unisys, Upjohn, Volkswagen of America, and Westinghouse.

Preview Session speakers were:

- David Ulch, associate professor of business administration and faculty director of U-M's Advanced Human Resource Executive Program, who spoke on 'Best Practices' in Human Resource Management.
- C. K. Prahalad, professor of corporate strategy and international business, a leading strategist-consultant, and a faculty member of The Executive Program, The Manufactur-

ing Executive Program, and the Advanced Human Resource Executive Program. His talk was entitled "Leveraging Corporate Resources."

- Noel Tichy professor of organizational behavior and human resource management, and faculty member of the Advanced Human Resource Executive Program. He spoke on the acclaimed Global Leadership Program, of which he is faculty director.
- Kim Cameron, professor of organizational behavior and human resource management, faculty director of the Management of Managers seminar, and faculty member of the Human Resource Executive Program. His topic was strategic quality.
- Robert Quinn, chairman and professor of organizational

behavior and human resource management and faculty member in the Public Utility Executive Program, who concluded the program with a talk on education and empowerment.

Since 1984, more than 700 corporate representatives have attended Preview Sessions. Enrollments increased dramatically for The Executive Program during that period. In a recent survey, *Business Week* found that executive education customers, both companies and participants, ranked Michigan's program #1 in the country, awarding it straight As in six areas — general management courses, functional courses, custom courses, teaching, curriculum and payback.



New Brochure Serves as Comprehensive Marketing Tool for BBA Program

Denise Harvey, Administrative Director of Michigan's BBA Program, had been talking to students for three years when she realized that she had nothing to give them that would shed much light on the BBA experience. "We were taking for granted that students we spoke with knew what special features the program offered," she says. "Actually they were pretty much in the dark"

To answer that need, last fall the School produced a 32-page color brochure entitled "The Michigan BBA Program." It deals with such questions as: The Core Courses — What You Can Expect in the First Term; the Senior Seminar Option, a new curriculum innovation that strives to integrate the business and liberal arts components of an undergraduate education; what are the admissions criteria and the distribution requirements. The brochure has a section on student life, the faculty and career development. Interviews and color photographs of BBA students and Business School faculty give a more personalized perspective on life at the Business School, and provide advice on everything from knowing your professors to setting up your social life.

The brochure will work in multiple settings, believes Ms. Harvey. She plans to use it for outside recruitment as well as intramural program marketing. "The Michigan BBA Program" is available from the Office of Admissions and Student Services, U-M School of Business Administration, Room 1235, Ann Arbor, MI 48109. Telephone: (313) 763-5796.

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James Pierpont, MBA '67, senior vice president and director of corporate finance of Dain Bosworth, Inc. in Minneapolis.



Gregory Martin Boll, MBA '80, vice president of Cummins of Michigan, Inc.



Jeffrey Lackey, MBA '85, associate with McKinsey & Co., New York City.

Photos by Gregory Fox

Alumni Board of Governors Welcomes Five New Members

Five new members of the Alumni Society Board of Governors took office at the Spring Meeting. They are: Gregory Martin Boll, MBA '80, vice president of Cummins of Michigan, Inc.; Jeffrey Lackey, MBA '85, associate with McKinsey & Co. in New York City; James Pierpont, MBA '67, senior vice president and director of corporate finance of Dain Bosworth, Inc. in Minneapolis; Carl Smith, Jr., MBA '81, vice president, sales, Washington Investment Corporation in Washington, DC; and Robert E. Malitz, BBA '81, tax manager at Arthur Andersen in Detroit. Malitz was unable to attend the spring meeting and so is not pictured.

Members of the Board heard an update on highlights of the Business School year by Dean B. Joseph White; discussed alumni

involvement in admissions and recruitment; heard first-year MBA students Peter Hoglund and Kay Boyle discuss their experiences with the new Multidisciplinary Action Program (MAP) instituted this spring for select first-year MBAs. The purpose of this new initiative is to provide students an opportunity to apply classroom learning to a real world company problem.

The Board also heard a presentation on the new BBA Seminar, designed to integrate the business and liberal arts components of an undergraduate education, and a presentation by Ralph Johnson, outgoing student body president, on his two years at Michigan.

The next meeting of the Board is scheduled for October 23.

BIAD Announces Two Important Changes

The Business and Industrial Assistance Division of the Business School (BIAD), directed by Larry Crockett, has announced two major changes in its top staff.

Marian Krzyzowski, who formerly was director of the Great Lakes Trade Adjustment Assistance Center (the largest unit within BIAD), has been named associate director of BIAD and director of the Michigan Business Assistance Corps, the Business School program that sends MBA students to Poland and Russia to help in the transition of those economies. In the latter role, he is uniquely qualified to serve as an intermediary between the Business School and businesses in Eastern Europe. Besides being fluent in Polish, he has an extensive network of personal contacts inside Poland, Russia and Czechoslovakia. Krzyzowski has been with BIAD since its founding ten years ago when the Division was part of the University's Institute of Science and Technology, and has played a major role in its growth and management.

The Michigan Business Assistance Corps is planning to expand its placement of Michigan MBAs next year to Czechoslovakia, Ukraine, southern Africa, Mexico, and Israel. In addition, the Corps has sent two Michigan MBAs this summer to Detroit's Focus:HOPE.

Margaret Creger, MBA '83, has been named director of the Great Lakes Trade Assistance Corporation (TAAC), replacing Krzyzowski. Before taking on her present assignment, Creger was a project manager at TAAC. This Center within BIAD provides comprehensive consulting help to small- and medium-sized manufacturing firms in the Midwest. When a company meets U.S. Department of Commerce eligibility requirements, TAAC helps them design a 1 - 3-year plan of action based on a diagnostic analysis of every facet of the business from manufacturing and production processes to financial management and marketing.

A key element in TAAC's successful assistance programs has been the participation of Michigan MBA students, who provide client firms with expert analyses of industry trends and competition.



Gregory

Margaret Creger, MBA '83, has been named director of the Great Lakes Trade Assistance Corporation (TAAC).



Gregory Fox

Marian Krzyzowski is the new associate director of BIAD and director of die Michigan Business Assistance Corps.

Among OURSELVES



Dr. Clifton R. Wharton receives the 1992 Business Leadership Award from Stephanie Lawler, BBA '92, Student Council Speaker of the House; and Ralph Johnson, MBA '92, President of Student Council.

Gregory Fox

Dr. Clifton Wharton Receives 1992 Business Leadership Award

Clifton R. Wharton, the first African-American to head a Fortune 100 company, received the 1992 Business Leadership Award March 12 at ceremonies in Hale Auditorium. He is chairman and chief executive officer of Teachers Insurance and Annuity Association of America and the College Retirement Equities Fund (TIAA-CREF).

The award is given annually to leaders who have shown an understanding of the responsibility of business to society and an interest in business education.

Wharton has been a Black pioneer in three different fields beginning in the foundation world working on the development problems of Latin America (1948-'57) and Southeast Asia (1957-70). In 1970, he was elected president of Michigan State University, becoming the first Black to head a predominantly white major university. In 1978, he was named chancellor of the State University of New York system, the largest university system in the world, with 64 campuses and 370,000 students. In 1982, Wharton was elected chairman of the Rockefeller Foundation, becoming the first African-American to chair one of the top ten U.S. foundations. In 1987, he became the first African-American to head a Fortune 500 company when he was chosen chairman and CEO of the \$90 billion TIAA-CREF, the fifth largest insurance company in the USA and the largest private pension fund in the world.

Wharton delivered a lecture entitled "Global Competition and the Research University: The Hidden Edge for Corporate America!" His lecture emphasized the urgency with which the United States must begin to enhance its strategic position in the area of

research and development in order to maintain corporate America's existing competitive strengths and to forestall efforts on the parts of Germany and Japan to advance in those areas.

"During the first half of the 1980s, research spending grew at an annual rate of almost 7 percent. In the second half of the decade, the annual growth rate fell to a little more than 1 percent," according to Dr. Wharton.

Between 1989 and 1991, real (inflation-adjusted) R&D spending dropped from \$154.3 billion to \$151.6 billion. Meanwhile, reports of scholarly plagiarism and inaccurate reporting of research results have raised troubling questions among citizens and public officials about the credibility of research universities."

"As in the past, we are depending on our research universities to be our 'hidden edge' for stimulating economic growth. At the same time, we ask them to do it with fewer and fewer real dollars. And every now and then, we remind them we do not really trust them with the money!"

"All farmers know you don't eat your seed corn, or you won't have any crop to plant in the spring," Dr. Wharton said. "Failing to maintain, much less increase, our R&D investment may be tantamount to eating the seed corn of our own national prosperity"

A graduate of Boston Latin School, Wharton holds a BA in history from Harvard, which he entered at the age of 16, and an MA from the School of Advanced International Studies of Johns Hopkins University. He has a Ph.D. in economics from the University of Chicago, and also holds 43 honorary degrees and numerous awards for public service.

Retirements



Gregory Fox

Vern Terpstra, professor of international business, joined our faculty in 1966. He is the author of several books, including *International Marketing* and *The Cultural Environment of International Business*. His research centers around international marketing management practices, international cooperative ventures, and Chinese international marketing. He served as a visiting professor at the National Institute of Management Development in Dalian, China, every summer from 1983 through '86, and is the author of numerous articles on international marketing.



Gregory Fox

Merle Crawford, professor of marketing, joined our faculty in 1965 from Mead Johnson & Company, where he served as marketing director. His research focuses on accelerated product development, new product failure rate and cause, and product innovation in technology-based firms. He is the author of *New Products Management*, published by Richard D. Irwin, and of numerous articles on the topics of product innovation and development. He is abstracts editor of the *Journal of Product Innovation Management*.



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James Filgas, professor of business administration, joined us in 1969 as associate professor of business administration and served as director of student services from 1971-79 and as director of admissions and student services from 1979-81. His research interests center around the establishment of independent businesses in Michigan in the manufacturing sector; 1977 to the present, and Michigan business history.

Business School Journalists Discuss Business and the Press

All of the major B-schools showed up to see and be seen, reported *The Monroe Street Journal*. Was it a fund-raiser? Was it a recruiting drive? Was it a ratings competition? No, it was the first annual MBA Publishers' Conference, a new idea whose purpose is to foster the development of business school journalism and identify some of the issues surrounding the coverage of business education in national business publications.

Monroe Street Journal writers Charley Cassell, Joel Martin, John Moon, and Craig Parker represented Michigan. They rubbed elbows with their counterparts from Harvard, Wharton, Stanford, Darden, UCLA, and others at the April conference in New York City.

Cornell's Johnson Graduate School of Business hosted the event, which opened with a panel discussion of the systems used by

business publications to rank schools. Panel members included John Byrne of *Business Week*, Robert Morse of *U.S. News & World Report*, and John Rosenblum, Dean of the Darden School of Business at the University of Virginia. Tom Peters, author of "In Search of Excellence," chaired the panel, which discussed issues such as the widely differing methodologies used by *Business Week* and *U.S. News* for determining Business School rankings, and the ways in which students, faculty, and the corporate community react to the rankings.

"The Merits of an MBA" was addressed by a second panel. Subrata Chakavarty of *Forbes*, Alan Deutschman of *Fortune*, Gilbert Fuchsberg of *The Wall Street Journal*, were joined by Peter Thorp of Citibank. They discussed the recent article in *Fortune* on "The MBA Glut" and examined what an MBA is worth in today's marketplace and how the degree differs now from ten years ago.

Plans are already in the works to hold another similar conference next year.



egory Fox

John Madigan, BBA '58, MBA '59, current president and publisher of the *Chicago Tribune* (right), and his colleague, Ann Marie Lipinski, associate managing editor for metropolitan news/deputy managing editor of the *Chicago Tribune* (left), gave a highly successful Dean's seminar on business and the press.

Chicago Tribune Publisher John Madigan, BBA '58, MBA '59, Gives Dean's Seminar at School

John Madigan, BBA '58, MBA '59, returned to the Business School in March as the featured speaker at a special Dean's Seminar on "Business and the Press," open to the entire Business School community. Madigan is current president and publisher of the *Chicago Tribune*. Joining him was his special guest Ann Marie Lipinski, associate managing editor for metropolitan news/deputy managing editor of the *Chicago Tribune*. Ms. Lipinski, a Pulitzer Prize-winning reporter for the *Tribune*, studied at the University of Michigan as an undergraduate.

During the seminar, Madigan

spoke on specific corporate strategies for dealing with the press, and of the value of developing a media plan. Lipinski discussed crisis management and the press, and cited examples of good press management (such as how the Tylenol poisoning crisis was handled) and bad management (such as the 3 Mile Island incident).

Madigan began his career in Chicago as a financial analyst with Duff & Phelps, Inc., in 1960. In 1962, he joined Arthur Andersen & Co., Chicago, as audit manager; then moved into investment banking at Paine, Webber, Jackson & Curtis in 1968 as

vice president of the Investment Banking Division in Chicago. He joined Salomon Brothers in 1969 where he spent five years as vice president of corporate finance in Chicago.

In 1975, Madigan began his current career with the Chicago Tribune Company when he became vice president and chief financial officer, a position he held through 1981 when he became executive vice president of the Tribune Company. That same year, he was also named director of the Chicago National League Ball Club, Inc. — the Chicago Cubs — which is owned by the Tribune Company. Madigan

took on the role as chairman of the Cubs from 1987-88. He became president and CEO of the *Chicago Tribune* in 1989, and publisher in 1990.

In an interview with *The Monroe Street Journal*, the Business School student newspaper, prior to his visit in March, Madigan reflected on the varied roles and responsibilities he has been charged with during his career.

Comparing his early career in investment banking with his current role as head of a media company, Madigan remarked: "They are totally different. As an investment banker you are in and out quickly on projects. You are doing different things for many different corporations, but you are not around to see the final outcome.

"Whereas, at the *Tribune*, you do something and it's all you. You have to live with (the results)." And as the head of a major metropolitan newspaper, Madigan deals with a broad spectrum of challenges — beyond just the basic business decisions. "At the *Tribune*, I have to deal with a wide range of subjects that require knowledge in various disciplines. Things like employee safety and insurance, history and ethics and the liberal arts . . . it's all there at a company like the *Tribune*."

"Even when I first joined as CFO, I had to deal with topics like employee benefits, which required drawing on my business education among other things.

Perhaps one of his most unique assignments during his varied career was his stint as head of the Chicago Cubs, one of the most visible jobs in the sports-crazy city of Chicago.

It was during that tenure that he had the unique opportunity to play host to a very special guest at Wrigley Field, home of the Cubs.

"One of the highlights for me (as head of the Cubs) was when President Reagan threw out the first ball at Wrigley Field. I gave him the ball to throw. It was interesting because it was totally secret. Only about three people knew (the President) would be there beforehand. They didn't want to have metal detectors at the gates, so it had to be secret. When he arrived, the gates were locked and nobody could get in after that"

He did concede, however, that it wasn't all fun and games running a major league baseball organization. "It's overstated in terms of being a great job. It can be quite stressful. For example, we put in lights at Wrigley Field under my watch and that was stressful" Wrigley Field is one of the oldest ballparks in the country, and the decision to put in lights caused considerable controversy and publicity across the nation.

"And there is a whole host of difficult ownership matters to deal with. The labor issues involving the players union can be overwhelming. Everybody thinks it is a barrel of fun, but it's really not that great," Madigan commented.

Madigan remains involved with education as a member of our Visiting Committee, the School's senior advisory board, composed of top executives from around the world. He also serves on advisory boards at Northwestern University's Medill School of Journalism.

BBSA Conference Features Roster of African-American Execs

Networking and mentors were deemed two highly important components of career development at the Sixteenth Annual Black Business Students' Association Alumni/Business Conference, held Mar. 20-21, 1992, at the Business School. Formats for the morning program included a networking workshop conducted by Mel L. Asbury of Exxon Company International. The workshop was set up as an open discussion, creating an opportunity for students and alumni to share the specific strategies they have found to be helpful in their career.

The remainder of the morning was given over to three panel discussions from which conference participants could choose. They were "Executive Women," "Entrepreneurship," and "In Search of Excellence."

Women executives Barbara Mahone, MBA 72; Nedra Sims; and Donna Sims Wilson shared their personal experiences as women in corporate America. Focusing on their efforts to find common ground in primarily male work environments, the three emphasized the importance of having a strong sense of self and self-confidence.

Paula Sneed, Executive Vice President and General Manager of Kraft General Foods, gave the luncheon keynote address. She inspired the participants by reminding them of the sacrifices and past achievements of African-Americans, as well as those yet to come. Ms. Sneed has been cited by *Dollars & Sense* for her corpo-

rate achievements. She was named as one of the top 100 black women in corporate America by *Ebony* magazine.

"Breaking the Mold," an afternoon panel discussion conducted by graduates who stepped out of the traditional MBA track, cited ethnic marketing, entertainment, sports (for example, the Olympic Committee), and legal academia as alternative venues for B School grads. Other panel discussions presented during the afternoon included topics such as the Civil Rights Act of 1991; Balancing Work and Family; Managing Your Money; and Exploring the Global Business Arena.

The evening keynote address was presented by

Edward Lewis, founder, publisher, and CEO of Essence Communications, Inc. The evening program also featured awards and honors. Cleve Christophe, MBA '67, Vice President of Equico Capital Corporation, an investment company in New York City, was named Honored Alumnus. Alfred L. Edwards scholarships were awarded to BBA students Kendall Johnson, Stephanie Horton, and Chisara Ehimere; and to MBA students Craig Lewis, Athenia Figgs, and Felix Amoyan. Second-year MBA student Geralyn Polk and second-year BBA student Victor Hicks received the Armstead/McGraw awards for their service to the BBSA.

Michigan Moves up Three Places in U.S. News Survey

The top 25 business schools in the country received their 1992 rankings from *U.S. News & World Report* in its March 23, 1992 issue. Michigan placed near the top as Number 7, a jump of three places from 1991, when Michigan was rated Number 10 in the survey.

The rankings are determined by two measuring instruments: one was sent to business school deans and MBA program directors who were asked to place each MBA program into quartiles representing levels of academic quality. The second survey was circulated to 2,000 chief executive officers in selected U.S. corporations; the CEOs were asked to rank the top 15 business schools based on their appraisals of recent graduates. The magazine also compiled its own statistical data on student selectivity, placement success, and graduation rates to assist them in ranking the schools.

On a numerical scale of 1-100, Michigan racked up 89.1 points. Stanford University grabbed first place with a score of 100, and Harvard was second with a 99.6.



The Hon. Paul Cleveland, ambassador to Malaysia (left); and Theodore Villinski, senior commercial officer at the U.S. Embassy in Indonesia, answer questions from the audience. Moderating the session was Linda Lim (right), research director at the Southeast Asia Business Program and a member of the Business School's international business department.

Diplomats Promote U.S. Investment in Southeast Asia

As part of a cross-country tour sponsored by the Association of Southeast Asian Nations, two U.S. Embassy officials, the Hon. Paul Cleveland, ambassador to Malaysia; and Theodore Villinski, senior commercial officer at the U.S. Embassy in Indonesia, spoke to a packed house at the Business School on March 24, 1992.

The purpose of the tour was to awaken U.S. business leaders to trade opportunities in Malaysia, Indonesia, Singapore, Thailand, the Philippines, and Brunei.

With 17 million people, Malaysia will soon be the world's largest exporter of semiconductors, room air conditioners, color TVs, phone answering machines and VCRs. In 1990, U.S. investments in Malaysia earned an annual rate of return of 37%.

Indonesia, a major oil exporter, is a resource-rich country, 185 million strong. In the eighties, Indonesia embarked on a program of economic liberalization and industrialization and now receives more than \$12 billion in foreign investments. In 1990, U.S. investments here earned an annual rate of return of 41%.

In spite of the profitability of investment in the region, U.S. business has not been nearly as active as some of its competitors, namely Japan. Nissans and Toyotas dominate southeast Asia's roadways in an automobile market that, in countries such as Thailand, has grown by over 40% a year.

The two ASEAN representatives were concerned about the lack of small business in the region, and it is this problem that prompted their unprecedented tour of the states. Two central themes emerged as they spoke: 1) A strong private-government partnership is the way to promote new trade and investment between

the U.S. and ASEAN; and 2) Increased U.S. trade and investment in ASEAN means a stronger American economy, more U.S. jobs as a result of more exports, and a role in the world's premier economic growth region.

Locally, the program was sponsored by the University of Michigan's Southeast Asia Business Program. Additional support was provided by the Michigan Export Development Authority Board, the Amway Corporation, Cram's Detroit Business-International Edition, Guardian Industries, and the Whirlpool Corporation.

ClassNOTES

J4T

Norman E. Auerbach, MBA '47, writes that he retired as chairman of Coopers and Lybrand in 1982. He says, "For twelve years (since 1970) we had a home in Tucson, Arizona, so when I retired to Tucson it was like going home. . . We now have a ranch on which we raise pistachios. We have approximately 40,000 trees and at present we have completed the cycle — from seed to tree, to harvest, process, pack and market. We are excited by the challenge of the whole activity — particularly in that it is our own family affair. I am making all the mistakes of a

new entrepreneur and suffering all the fears of the everyday farmer dealing with elements he cannot control." All three of Norman and his wife Judy's sons have followed them to Tucson, and so they are all still there together. Norman remains active in the community and has served on as many as nine corporate boards. He currently sits on the boards of American Brands, Inc.; AM International; Aztar, Inc.; IHOP Inc.; Equitable Family of Funds, and the Hudson River Trust. He also maintains a few special consulting arrangements with corporate heads. Norman and his wife recently celebrated their 50th wedding anniversary where they reaffirmed their

marriage. He says "The bridal party was made up of all our children and grandchildren. It was a Great Day!" He concludes his note with "Buy Triple A Pistachios."

"BO

Bob Green, BBA '50, who is a stockbroker in Flint, Michigan, has written an ode to certain owners of bankrupt office buildings:

"We have lots of cash flow, you know
But we mispent the rent long ago
Hence the debt we can't service
And our banks do unnerve us
So it's off to the courts we will go."

John W Biege\ BBA '47, Describes "Sideways Shuffle?"

"My classmates might be amused at my sideways shuffle" writes The Rev. John W Riegel, BBA '47, who also holds a Ph.D. in business economics from Harvard. "I went from a deep dedication to the railroad industry to a 25-year stint as chaplain and resident theologian at The Hill School" (a boys' boarding school in Pottstown, Pa.).

Riegel worked for the New York Central and the Baltimore and Ohio Railroads before going to Harvard for his Ph.D. Then he taught industrial organization at Yale. In 1960, he changed direction and studied for an S.T.M. degree at Nashotah House Seminary in Wisconsin. He writes, "My love of American industry and its history, and the business school background are always with me and show up rather to the amazement of listeners to sermons and theological discussions. Both the influence of my father and of Sunday mornings spent in the Business

School Library as a youngster, are very much with me!"

Riegel writes that he moved to Ann Arbor with his family in 1935, when his father, Prof. John Wallace Riegel, was appointed director of the Bureau of Industrial Relations at the Business School. It was the second such enterprise in US. education, the first such bureau having been established at Princeton in 1926.

He continues, "Anyone familiar with the labor-management situation prevailing in the state of Michigan, as well as the entire US., in the 1930s and '40s, will appreciate the reason for the Bureau's concentration in the area of personnel and labor relations at the time. Later, with the rapid expansion of industry after the war, the emphasis shifted to personnel management and executive development. Also during this time, my father instituted a program of state-wide executive conferences with

centers in several Michigan cities.

"I think his many students from the 24 years 1935-59, as well as many corporate executives and personnel officers, both in Michigan and throughout the US., would want to see the name of Prof. Riegel remembered as a leader in a field which expanded to many universities and broadened in scope and function following the pioneering work done at Princeton and Michigan."

(Dividend is indebted to Mr. Riegel for his informative letter and for pointing out to us that the Bureau of Industrial Relations began in 1935, not in the 1940s, as we erroneously reported in the article (Winter, 1992) about our top-rated Executive Education Division, which evolved from the Bureau of Industrial Relations.)

CtoIMOTES

'53

Eugene Paul, MBA '53, and his son Jeffrey Paul (LSA '84), have formed a new business partnership called International Minute Press of Downtown Ann Arbor, a franchise of Minute Man International Press, a printing and copy service organization. Eugene recently retired as president of Motor City Plastics Co., in Dundee, Michigan.

'56

Jack A. Rounick, BBA '56, has been appointed president of Think Big! Inc., a wholly-owned subsidiary of Martin Lawrence Limited Editions, Inc., of Van Nuys, California. Think Big sells and markets oversized authentic replicas of well-known American products, such as a five-foot Crayola Crayon, a five-foot Dixon Ticonderoga pencil, six-foot ruler, five-and-one-half-foot Louisville Slugger baseball bat, tennis ball, tennis racket and many other products.

'58

Charles (Chuck) E. Hancock, MBA '58, is Vice President-Operations for GoodMark Foods, Inc., where he is currently responsible for five operational facilities plus corporate transportation for a \$150 million snack food company based in Raleigh, N.C. GoodMark is an OTC public company which produces and markets meat and grain-based snacks as well as cookies and crackers. He is married to an alumna of U-M with whom he has raised four children. He continues his active interest in skiing and has held numerous volunteer positions with the National Ski Patrol System.

'63

Joel D. Tauber, BBA '56, MBA '63, has been elected national chairman of the United Jewish Appeal, the world's largest Jewish philanthropy. Both UJA's annual campaign and "Operation Exodus," the special campaign for Soviet and Ethiopian

Jackson Smart, Jr., BBA '52, Appointed Chairman of the Board of Terminal Data Corporation

Terminal Data Corporation (TDC) has announced the appointment of Jackson W. Smart, Jr., BBA '52, as chairman of the Board of Directors. Smart fills the vacancy created by the death of Richard M. Drysdale in April.

Terminal Data Corporation, headquartered in Moorpark, California, is a supplier of quality, high-value document image capture products and services in specialized, growing markets.

Smart, who is chairman and CEO of MSP Communications, a radio broadcasting company based in Chicago, has been a director of TDC since January, 1992. He also serves on the Boards of Federal Express Corporation, Goldman Sachs Funds Group and North American Private Equity Fund.

Jews in Israel, are conducted in partnership with Jewish federations and small communities throughout the U.S. and have raised over \$1 billion in each of the last two years. Tauber, who is chairman of the board of Key Plastics, Key Manufacturing Group and the Keywell Corporation, was president of the Jewish Federation of Metropolitan Detroit from 1983 to 1986. He is also a vice-president of United Way for Southeastern Michigan. He is a member of the National Campaign Committee of the Business School, a Trustee of the Business School's Growth Fund, and a member of our Small Business Advisory Committee. He also received a JD degree with distinction in 1959 from the University of Michigan Law School.

Kenneth C. Tappe, BBA '63,

was promoted to senior vice president at First of America Bank-Ann Arbor. He has responsibility for the administration and management of the bank's loan review, credit and commercial loan operations departments. He is also coordinator of the bank's Community Reinvestment Act activities. He and his wife, Judith, live in Ann Arbor and have two children.

'68

Donald F. Tucker, BBA '68,

was recently appointed Chair of the Commercial Torts Committee of the Torts and Insurance Practice Section of the American Bar Association. He earned his JD in 1971 from the University of Michigan. He is a partner in the law firm of Tucker & Rolf with emphasis in the practice of commercial litigation and corporate and governmental relations counseling. He is also Chair of the Board of Directors of the Michigan State Housing Development Authority, President and Chairman of the Board of Directors of the Blue & Gold Club of the Detroit Country Day School, Chair of Legislative Affairs Committee of the Oakland County Bar Association, and is involved in many other civic organizations. He lives in Southfield, Michigan.

'73

James D. Ludwig, MBA '73,

is moving his main office of K.L. Associates to Oxnard, Calif., where his firm has purchased a 1912 Vintage Victorian house (converted to commercial use) in a new redevelopment project "Heritage Square." His firm specializes in redevelopment areas, both in new development and creative re-use of existing properties. Also, his oldest son will be an incoming freshman at U-M this fall.

'77

David A. Estes, MBA '77,

was named manager, regulatory projects, at Consolidated Natural Gas Company of Pittsburgh, Pennsylvania. He joined

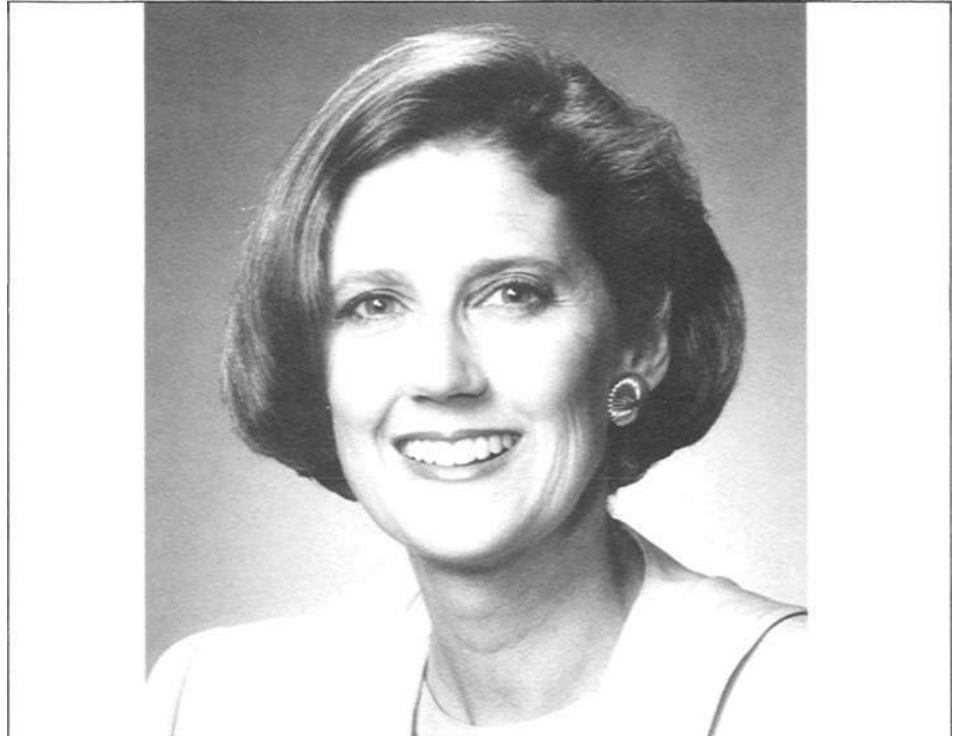
Consolidated as a rate engineer in 1981. He has served as coordinator, special projects, and most recently as senior rate engineer.

'-7B

James C. Achtenberg, MBA 78, is president of Woodbrook Enterprises which recently opened a computer store in Manchester, Michigan, about 20 miles from Ann Arbor. There they sell and rent computers and software. His wife, Connie (Natural Resources 78) and their three-year-old daughter, Constance Mabel Elizabeth, frequently visit the new location. He is also co-chairman of the Manchester 125th Anniversary Celebration grand finale on July 18, 1992.

Steven E. Eder, MBA 78, has been elected group senior vice president, AMG financial services, and vice president of The Taubman Company, Inc., one of the nation's leading owners, developers and managers of retail and commercial real estate. Eder will continue to serve as controller of the company. He joined the company in 1980 from the accounting firm of Coopers & Lybrand. He is a resident of Southfield, Michigan.

Wade S. Lnenicka, MBA 78, was profiled in the February 6, 1992, issue of *Purchasing Magazine*. He is purchasing manager for Printpak, Inc., in Atlanta, GA, a privately held manufacturer of flexible packaging for snack foods, candy, meat, dairy, rice, cookies, crackers, cereal, and industrial use. He is an 11-year purchasing pro. Before joining Printpak in 1980, he was business manager at Atlanta-based Wink Davis Equipment Co., Inc. His responsibilities at Printpak include procurement activities including source selection and evaluation, supplier relations, contract negotiations, and training of material managers in each of Printpak's 14 plants. He is also a councilman for Ward 6 of Smyrna, Georgia.



Cece Smith, BBA '66, Appointed to Dallas Fed Board of Directors

The Federal Reserve Bank of Dallas has appointed Cece Smith, BBA '66, to a three-year term as a member of its board of directors. Smith, who is a certified public accountant, is co-founder and general partner of Phillips-Smith Specialty Retail Group, a \$70 million venture capital firm which invests in companies with the potential to become major retail businesses. She is a member of the Michigan Business School's Visiting Committee.

Before founding Phillips-Smith, Smith was executive vice president-finance and administration of Pearle Health Services, the world's largest retail optical chain. From 1974 to 1981, Smith was vice president-finance and later executive vice president of S&A Restaurants (Bennigans and Steak & Ale). She began her career at Arthur Young & Company in Boston and then moved to Wily Corporation in Dallas.

Smith is on the board of directors of Henry Silverman Jewelers, Inc; Streamers, Inc.; Zak Stores, Inc.; and A Pea in the Pod, Inc. She is a member of the executive board of the Edwin L. Cos School of Business at Southern Methodist University and is co-founder and past co-chair of the President's Research Council at the University of Texas Southwestern Medical Center.

The Dallas Fed board of directors consists of nine members, all of whom are familiar with the economic and credit conditions of their respective regional areas. They represent banking as well as public and business interests and either are elected by district banks that are members of the Federal Reserve System or are appointed by the Board of Governors in Washington, DC. The Federal Reserve Bank of Dallas and its branches serve the Eleventh Federal Reserve District, which encompasses all of Texas, northern Louisiana, and southern New Mexico.

GtoIMOTES

Richard C Wieland, MBA '78, was recently appointed chief operating officer for Advanced Material Process Corporation of Wayne, Michigan, specializing in the process of shot peening, a process used to increase the fatigue strengths of metals by impacting them with small metallic objects called shot. Prior to that appointment, he was vice chairman of Quickstak, a producer of material handling equipment. In September, his wife Diane of four years and he adopted their daughter, Marissa, a native of Guatemala. The family lives in Ann Arbor.

Becky Kimmen Killigrew, MBA '78, writes that over the past five years her financial consulting business has grown and contracted with the Massachusetts economy, but the nature of her clients has stabilized. She now specializes in financial and accounting systems for not-for-profit organizations. This past year she became treasurer for the Massachusetts Foundation for Excellence in Marine and Polymer Sciences. This Foundation provides money for product-oriented research in areas such as fish farming, waste water treatment, plastic recycling and polymer building materials.

'7B

Anita Riddle Johnson, BBA '79, is now working as a manager of strategic human resources planning and organization development for General Motors Corporation.

'SO

Tom Salzer, MBA '80, founded Advanced Information Services in Rego Park, NY, in 1987. AIS provides consulting services in the areas of marketing and sales management and financial analysis and control. AIS helps organizations evaluate, design and implement solutions for sales growth and profitability. The company began as a provider of software and has grown to include business consulting services emphasizing solutions

Richard Scroggins, BBA '55, Receives Real Estate Award

Richard M. Scroggins, BBA '55, senior vice president American Express Company, has been named the first recipient of the new annual award for Outstanding Corporate Real Estate Executive given by the New York chapter of NACORE (The International Association of Corporate Real Estate Executives).

Scroggins heads the American Express corporate real estate activities, and oversees 30 million square feet of space worldwide. He is also responsible for general services supporting the corporate headquarters, and is the environmental protection officer of the company.

Scroggins joined American Express in 1975 after eleven years with the Ford Motor Company. While at Ford, he spent five years heading the dealership real estate program for Ford of Europe. Before that, he held various sales and real estate positions at Shell Oil Company and Burroughs Corporation.

NACORE is a not-for-profit real estate professional organization with 3,400 members in the United States. The New York chapter is the largest, with its members responsible for real estate assets and transactions having a value in excess of \$100 billion.

to specific problems in a timely and cost-effective fashion. This is the second company Tom has started, selling his first company, a computer software firm, in 1986. Tom and his wife, Melinda, live in Whitestone, NY, and have two small children.

'S I

Peter Bergman, MBA '81, recently left his position as Director of Marketing at Epson America to become

Vice President of Canon Computer Systems, Inc., of Costa Mesa, California. CCSI is a start-up subsidiary, part of the \$15 billion global Canon organization. They develop, market and distribute laser printers and personal computers. Peter's wife, Muriel, is expecting their second baby (a boy) in July. They also have a 13-month old daughter, Alison.

Martin M. Shenkman, MBA '81, has his own law practice specializing in tax and estate planning in Teaneck, New Jersey and New York City. His wife, Shelly, gave birth to their third son, Joshua Daniel, in March, 1992. He recently wrote his 11th book, entitled *The Estate Planning Guide*, published by John Wiley & Sons, Inc. (New York, NY). The book is a step-by-step, all-inclusive guide which helps readers take charge of and direct their own estate planning.

Donald H. Turner, MBA '81, writes: "After playing at consulting for nine of the last 12 years, I've decided to take a 'real job' with Computervision where I'll be responsible for strategic planning and corporate communications. I have been actively involved in international high-tech business strategy since 1987 — so this is a natural extension. My wife and two sons are looking forward to seeing me more than just weekends."

'82

Terry Cullen, BBA '82, and his wife Gina (Ortale), BBA '82, moved to Georgia in 1991 to open a Chevrolet/GEO automobile dealership in a suburb of Atlanta. The dealership, which had not shown a profit in three years, ended up its first year in business under Terry's leadership — "in the black!" Terry and Gina have a son and daughter — Drew, 3, and Riley, 1.

'84

Thomas J. Conzelmann, BBA '84, has been named treasurer of Ervin Leasing Company, Ann Arbor. He previously served

as controller of the company. Ervin Leasing Company is a business equipment lessor specializing in the leasing of copy and facsimile machines, personal computers and office furniture. Established in 1979, the company has additional offices in Grand Rapids, Columbus, OH, and Greenville, SC. Tom lives in Manchester with his wife Linda and their 21-month old son, Johnathan.

Lawrence S. Deutsch, MBA '84, has been promoted to Vice President, Management Supervisor at Cato Johnson, Chicago, the promotional marketing arm of Young & Rubicam, where he manages the agency's packaged goods accounts including Frito-Lay Warner Lambert (Certs Mints), Kayser-Roth (No Nonsense Pantyhose), and Entenmann's. Larry, his wife Deb, son Joe (3 years), and daughter Corine (1 year) live in suburban Chicago.

J S 7

Robert Gayer, MBA '87, was named to open and manage a new San Jose regional office of Keegan and Coppin Company, Inc., the dominant commercial real estate firm in the North Bay area, and also has offices in San Diego. Goyer was previously with Rubloff, Inc., and Cushman & Wakefield. He lives with his family in Los Gatos, CA.

Scott Williams, MBA '87, recently moved to Farmington Hills, Michigan, where he has accepted an appointment as second vice president, consumer lending product manager, with Michigan National Bank. He writes: 'We will soon have another banker in the family — my wife is expecting our second child in July'

Please Tell Us About Yourself

We would like to include more news about alumni in *Dividend*, and hope you will help us by providing us with information about yourself. We'd like to know where you are working, and other news about you, such as promotions, new business ventures, any business or academic honors, authorship of books or articles, or other information that would be of interest to alumni. If you would like to take the time to fill out the form below and send it to "Pringle Smith, Editor *Dhidend* Magazine, School of Business Administration, University of Michigan, Ann Arbor Michigan 48109-1234;" we would very much appreciate it.

Name: _____

Degree(s) and Class Years: _____

Business Position: _____

Business Address: _____

Home Address: _____

Please write below some personal or business news about yourself that we can share with other alumni.

CfaNOTES

'88

Michael W. Held, MBA '88, is Supplier Manager with General Motors in Detroit. He has been working for the past two years on the Northstar Engine program which was set to debut on April 23, 1992. He writes: "It should make the Allante very desirable for those willing to part with \$60,000!" His wife, Sherry, also MBA '88, is expecting their first child the first week of June.

•89

Diane Brown, MBA '89, was recently promoted to Community Reinvestment Officer at First of America Bank-Ann Arbor. She will be responsible for coordinating and monitoring the bank's efforts to comply with the Community Reinvestment Act. She was most recently the Community Relations Officer responsible for marketing and the bank's quality service program. She joined the bank in 1984 as a teller, and moved to the marketing department a year later. Before

working for First of America, she was an Assistant Sports Information Director in the U-M Athletic Department.

Vida McCray, MBA '89, was recently elected a commercial banking officer at First of America Bank — Ann Arbor. A resident of Dexter, Michigan, she has been responsible for administering a commercial loan portfolio since becoming a commercial loan representative in 1991. She joined the bank as a credit analyst in 1990. She is also involved in several organizations in Webster Township including the Webster Township Historical Society and Webster Fall Festival. She and her husband, Rev. John Gardner, have one son.

"SO

David Banders, MBA '90, recently joined Booz-Allen & Hamilton's strategy practice and is based in Cleveland. He joins Suresh Chandrasekaran, MBA '90, who has worked in the same practice since graduation. Suresh was just promoted

to Senior Associate. David writes that he is now currently helping his wife, MBA '92, in her search for a marketing job in Cleveland.

Matthew Kripke, BBA '90, was promoted to National Sales Manager of the United Kingdom for Vector Marketing. Vector is the direct sales arm for Cutco Cutlery. He has been with the company since May of 1988. Vector is a relatively small company with 1991 sales of over \$60,000,000 in the U.S. and Canada combined.

Julian T. Ortiz, MBA '90, joined Booz-Allen & Hamilton as a management consultant and will be based in Mexico City starting in May, 1992. He and his wife, Karina, are expecting a child in June, 1992.

Christopher Tarpley, MBA '90, has been promoted to manager-byproduct development and sales in the Corporate Planning department at Kohler Co. In this newly created position, he oversees the

Howard Flight, MBA '71, Heads Guinness Flight, a Global Investment Management Business

Howard Flight, MBA '71, who was the second Power Scholar from Magdalene College, Cambridge, England, and who arrived at the Business School in Sept., 1969, has spent the last decade building up Guinness Flight as a successful investment management business. He and his co-founder Timothy Guinness, now manage about \$1.5 billion with a staff of a hundred and are one of the few businesses in the present climate whose turnover and profits have been rising significantly over the last 18 months. The Fund was written up by Fund Research Ltd., an independent firm specializing in assessing investment management businesses in Europe. Their article included this paragraph about Guinness Flight. "The clearly defined strategy process, disci-

plined approach, depth of experience and the quality of the team complemented by the innovation and drive of its founders, make Guinness Flight a company to be trusted to produce thoroughly professional investment results. For its competitors it is a force to be reckoned with for the 1990s."

In 1988, Flight was asked by the London publishing firm of Sidgwick & Jackson to write a book on currency management. The result was "All You Need to Know About Exchange Rates," written with Bonita Lee-Swan. It is aimed at anyone who wishes to understand exchange rates and their central importance to current economic and political affairs. It discusses in detail the importance of exchange rates to international equity, bond and cash

investments and the influence of exchange rates on nearly every aspect of our economic and political environment. In addition, the factors that move exchange rates and their relationship with business and financial management are reviewed and discussed. The conceptual approaches to dealing with floating exchange rates are described, together with some of the financial instruments available to businessmen and investors. The book was published in 1988, and Flight says he is now facing the daunting task of updating it.

Flight and his wife, Christabel, live in London and retreat to their country house in Worcestershire on weekends. They are the parents of four children.

development and sales of products that utilize manufacturing byproducts. Christopher joined Kohler in 1990 and most recently served as a senior marketing analyst in Plumbing & Specialty Products.

Timothy Brink, MBA/JD, '91, joined the firm of Sheppard, Mullin, Richter & Hampton in Los Angeles in October, 1991. He is practicing commercial law with a focus on litigation.

Deaths

Franklin G. Moore, professor emeritus of industrial management, died in May in Columbus, Ohio. Professor Moore was the author of three books, including *Manufacturing Management*, published by Richard Irwin; *Management: Organization and Practice*, published by Harper and Row; and *Production Control*, published by McGraw Hill.

Hinman Gilbert Nichols, AB '24, died in Florida on March 20, 1992. He is survived by his wife, Lydia Nichols of Dunedin, Fla., two daughters, a son-in-law and one grandson.

Fred A. Souter, MBA '39, died December 22, 1991, at his home. Born in Durand, Michigan, he received his engineering and master's degrees from the U-M and worked in the accounting department at Warner Electric Brake and Clutch Co. in South Beloit, Illinois, now Dana Industries. Before joining Warner Electric, he was in charge of production at Sturgeon Bay Shipyards (then Christy Shipyards) in Sturgeon Bay, Wisconsin where he supervised the building of two car ferries, The Spartan and The Badger, during the late '40s and early '50s. He was able to successfully fight cancer for 14 years. He is survived by his wife, Elizabeth; a brother, a niece and a nephew.

Adolph T. (Bud) Siherstein, BBA '49, died in July, 1991. He was born on January 30, 1927 to Irene and Merrill Silverstein of Detroit, Michigan. His mother was an active member of Temple Beth El and a professional singer. Merrill was a criminal lawyer. As both Irene and Merrill were U of M graduates (Irene from the School of Music, 1909 and Merrill from the U of M Law School), going to the University of Michigan was a tradition-of-sorts in his family. Bud served as a member of the United States Armed Forces (1944-46) and was therefore able to continue in his parents' footsteps at Michigan due to the GI Bill. Although he started in pre-law, he graduated from the School of Business in 1949.

Upon graduation, Bud went to work for the accounting firm of Touche Ross. He later moved to Fruehauf Corp., where he spent the rest of his career. He retired from Fruehauf as VP Controller in 1989.

During his years at Michigan, Bud developed an interest in Standardbred race horses. His interest grew into a true love of the sport and he became an established owner in the Detroit area, taking great pride in having the fastest pacing 2-year-old filly in the state in 1976.

One of his favorite sayings in life was "You have to play the hand that's dealt you with as much class as you've got." From June of 1990 when Bud was diagnosed with terminal cancer, until July of 1991 when he died, he exemplified that saying. He was able to die in the home that he loved, surrounded by his family, and in peace. Bud is survived by his wife, Gloria, and their two daughters, Karen Hartman and Susan Johnson.

Being a University of Michigan graduate was a way of life for Bud. He was a long-standing member of the Presidents Club, as well as Chairman of the Detroit Partners in Excellence Program. He was also known for his U of M Christmas tree decorated in nothing but "maize and blue." He carried his "GO BLUE" spirit close to heart all through his life.

CALENDAR

September 18 & 19

Kickoff of the U-M Capital Campaign and meeting of the Business School's National Campaign Committee

September 25

Meeting of the Corporate Board at the Business School

October 3

Fall meeting of the Visiting Committee

October 9

MBA Student-Alumni Forum at the Business School

October 23

Meeting of the Alumni Society Board of Governors

October 23 & 24

Reunion Weekend

November 13 & 14

The sixth annual Real Estate Forum

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Students were excited and rumors were plentiful when they assembled in Hale Auditorium April 23 for a "surprise announcement." After enjoying a box lunch, they were shown the videotape of the press conference that had just taken place in Phelps Lounge. The press conference announced a new, \$30 million private giving commitment to establish the William Davidson Institute at the U-M Business School. For more, see page 2.