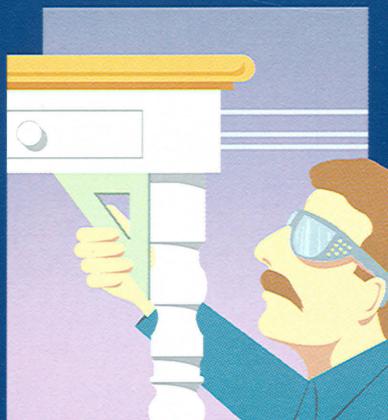


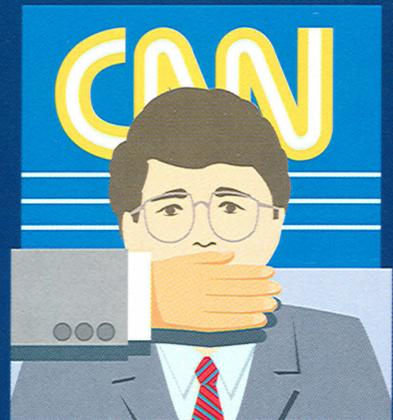
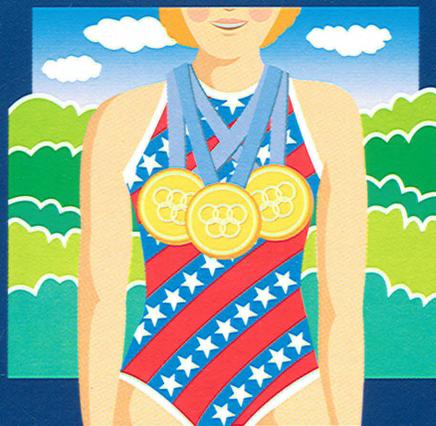
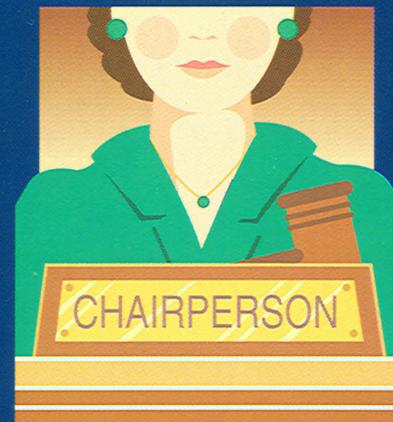
Dividend

The Magazine of the School of Business Administration • University of Michigan • Winter 1993



“Small wins are important because they create pockets of orderliness in an otherwise chaotic world.”

Professor Karl Weick
discussing Small Wins in
Organizational Life (page 3)



Bruce and Lois Zenkel Donate New Lounge to B-School Faculty

A beautiful new faculty lounge, located centrally on the second floor of the Business School, was dedicated on December 3, just in time for Christmas. The lounge was made possible by a generous gift from Lois and Bruce Zenkel, BBA '52.

The new Lois and Bruce Zenkel Faculty Commons is comfortable and elegant, panelled in oak and carpeted in a soft green. Leather chairs surround inviting round tables, and a large table seating 10 stands near the large windows. There are also areas for reading and a large wall unit housing a TV and VCR. The new space, designed by Birmingham architect Carl Luckenbach, also features contemporary lighting and reproductions of furniture originally designed for the Cranbrook Institute outside Detroit.

The faculty lost their former lounge on the 9th floor when the new Davidson Institute took it over for much needed office space. But this created an opportunity, said Dean B. Joseph White at the dedication. "Here we have created an area that is convenient and attractive, where the faculty can come and share ideas. Faculty — this is

for you." Much applause greeted this Statement



A sketch of the new Faculty Common Room



Bruce Zenkel, BBA '52, cuts the ribbon to officially open the Lois and Bruce Zenkel Faculty Commons, as Judy S. Olson, professor of computer and information systems, looks on.

from the large crowd of faculty that was present.

Bruce Zenkel was the guest of honor at the dedication, during which White hailed the Zenkels as "exceptional friends of the University and the School." They support a faculty research fund here, a minority scholarship fund in LS&A, the Center of Champions and the U-M golf team.

Zenkel said he was exhilarated to see the new facility. "My family and I are grateful to give back something to this place which is so important to me," he said. "We hope this will assist the faculty in meeting the challenges of the 21st century and will help the Business School to become number one."

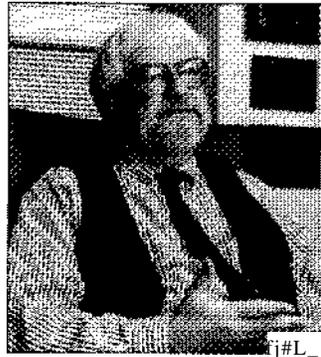
Bruce Zenkel is a principal in the investment firm of Zenkel Schoenfeld, and serves as a volunteer on the U-M Presidents Advisory Committee, the New York Major Gifts Committee, and is a former member of the Business School's Growth Fund Board and Development Advisory Board. Two of the Zenkels' children, are U-M graduates. •

Winter, 1993

Vol. 24, No. 1

Our Cover

Shows drawings symbolizing a series of "small wins" discussed by Professor Weick in a *Dividend* interview. The artist is Steve Maggio.



Small Wins in Organizational Life

A *Dividend* interview with Professor Karl Weick, who says that even relatively small actions can have a major impact on massive, seemingly immovable organizations. 2

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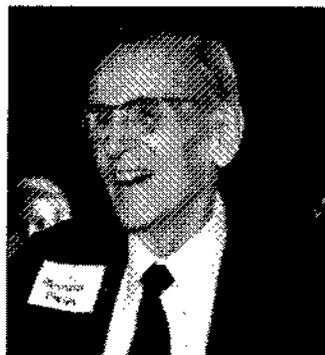
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Gregory Fox

*A Dividend Interview with Karl Weick, Rensis Likert
Collegiate Professor of Organizational Behavior and Psychology*

Whether he's observing nuclear power plant operators, air traffic controllers or airline pilots, Professor Karl Weick is intent on one thing — discovering how people in organizations respond to stress and how they make sense of confusing or complex events. He comments, "As people get under more pressure and stress, what they are capable of noticing shrinks. For example, operators who work in nuclear power plant control rooms become very narrowly focused on a limited number of gauges and controls as stress rises. This has very serious consequences for diagnosis as well as implications for training programs."

Over his long and distinguished career, Weick has studied topics such as how people make sense of confusing events, the effects of stress on thinking and imagination, and techniques for observing complicated events. In 1990, he received the Irwin Award for Scholarly Contribution to Management, thus becoming one of only nine people to have received the highest honor granted by the Academy of Management. That same year, Professor Weick also received the award for the best article of the year to be published in the *Academy of Management Journal* for his article "Theory Construction as Disciplined Imagination" which was cited for a path-breaking description of the thinking processes theorists use to gain an understanding of managerial behavior. This marked the first time in the history of the Academy of Management that one person received both the lifetime achievement award and the award for the best article of the year.

In this *Dividend* interview, Professor Weick describes his theory of small wins — the idea that even relatively small actions can have a major impact on massive, seemingly immovable organizations, and discusses how individuals can improve their ability to design and implement small wins.

V ^ . *As background for our discussion of small wins, can we talk for a minute about the effects of high pressure on results?*

I \ . The one effect of high pressure that I find most worrisome is that when people feel under great pressure, they revert back to earlier, overlearned ways of responding. Those earlier, more primitive responses tend to be poorly suited to deal with newer, more complex demands. Highly aroused people find it difficult to learn a novel response, to brainstorm, to concentrate, to resist old categories, to perform complex responses, to delegate, and to accept contrary evidence.



WF

When air traffic controllers talk about stress and "losing the picture," they mean that all of a sudden they lose the third dimension.

V ^ . *Can you give me an example?*

I \ . Yes. The ejection systems in the F-104 aircraft assigned to Germany eject pilots downward rather than upward, so pilots trained to fly these planes are taught to turn the plane upside down when they get into trouble at low altitudes, so that they will be ejected upward. Several pilots who learned that system were then transferred to the U.S., where the F-104 ejection systems propel the pilot upward. Several of these pilots were killed when, under the stress of

a disabled plane, they turned their American plane upside down and ejected themselves into the ground. Their first-learned response dominated the response they had learned more recently.

To give another example, air traffic controllers have the very difficult task of looking at a 2-dimensional radar screen and inferring a 3-dimensional world in which airplanes are moving not only toward or away from one another, but also ascending or descending toward one another. From a flat display, controllers have to visualize moving planes in layers with movement between layers. That third dimension is the one that is more complex to sustain. It takes more practice to learn, and is seldom rehearsed away from the console. When controllers talk about stress and "losing the picture," they mean that all of a sudden they lose the third dimension. Two aircraft moving on a collision course could be at the same altitude or separated by thousands of feet. Momentarily, they lose track of which it is. That's the stuff of which a cold sweat is made.

V ^ . *Phew! What are the implications of this as we think about the challenges that face us in the '90s?*

I \ . Many of us in the Western World grew up as individualists with the frontier spirit. That is our first-learned and over-learned tendency. Go it alone, the lonely entrepreneur — we all know the images. Now, if the '90s are the era of teamwork, alliances, communities of common interest, webs, diplomacy agreements, networks, and trust, the safest prediction is that individualists will have a tough time competing. Under pressure, teamwork skills will unravel, suspicion will be more common than trust, people will plan to share information but forget to do so. As a result, everyone will be overwhelmed because no one will delegate or spread tasks among members of a community.

v ^ . What can we do about this?

A. We worry all the time about problem solving but we don't worry about how problems get defined in the first place. When people say "this problem is serious," that may be helpful if you know what to do and can do it. But if you don't know what to do, then increased tension makes it harder to come up with a solution, which further increases tension, etc. We need to define problems in such a way that the inevitable tension which accompanies them does not interfere with either performance or diagnosis. And that's where the idea of small wins is useful.

Q- Tell me more about small wins.

l \ . A small win is an opportunity of modest size, that is controlled to produce a visible, tangible outcome. It is defined in such a way that it does not paralyze diagnosis, nor does it paralyze action. A small win is a wise moment in organizational life. It is the right person, with the right insight, at the right time. Small wins attract allies, deter opponents, uncover new solutions, and lower resistance to subsequent proposals. Small wins are important because they create pockets of orderliness in an otherwise chaotic world.

v ^ . Will you give me an example of a small win?

l \ . Here are two examples uncovered by Tom Peters. Greyhound of Canada was faced with declines in ridership. Theories about what was wrong were plentiful, but didn't seem to make much difference. Senior vice president John Munro decided to start somewhere, so he began with the idea of cleaning up restrooms in the terminals. He began holding candlelight dinners for management — complete with white tablecloths — in depot restrooms nationwide. "Half the staff thought I was crazy and half thought 'He's serious about this,'" said Munro. "Since then we had some black tie dinners — with caterers. Now, managers do it in their own locations." The result? More than 70 percent of the 570 restrooms have been kept immaculate. Munro hired janitorial services to guide depot staff in scrubbing the offending 30 percent — and sent the depot managers the bills. Since then, female ridership has increased by ten percent, and total ridership is also increasing. Plaques are being posted in all restrooms asking visitors to call a toll-free number and speak directly to the regional vice president if a wash-room isn't clean.

Another example of a small win

began with Robert Boynton, who owns Midland Cabinet Co. in San Carlos, Calif. He faced no big problem, but made an opportunistic improvement that had a large effect. He started a policy of allowing his 20 employees to use the new multimillion-dollar cabinet-making facility after hours to work on outside jobs. He charges them 10% over materials costs, and refers customers directly to his employees if the job's too small for the company to do profitably or if the company's too busy. But the privilege broadens employee skills and improves their business acumen, workers claim. Workers learn how to set prices, negotiate their own deadlines, and decrease waste time, all of which makes them faster and more effective on the weekdays as well.

V ^ . Is the idea of small wins the same as breaking a big project into small steps so that it becomes more manageable?

l \ . No. The only way you can achieve a big outcome using a series of planned, logical small steps, is if the environment remains stable, if you know which causes produce which effects, and if there is no chance that earlier steps will unravel along the way. Small wins seldom combine into a neat, linear sequence with each step being a

CHARACTERISTICS OF SMALL WINS

They are *opportunistic*. People do what they are capable of doing.

They are *controllable*. They start when people want them to start, unfold predictably, and come to a conclusion.

The accomplishments can *stand alone* as a completed outcome.

Intention is *signalled* by means of action.

In each case, people *learn* from what they do.

Each small win is possible because people are well-versed in *details*. They have a fine grained understanding, and out of that, they can build a small win.

demonstrable step closer to some pre-terminated goal. Instead, small wins are usually scattered around. They hang together only in the sense that they move in the same general direction. And this general direction is often away from some deplorable condition, rather than toward some planned outcome. When we talk about small wins, we are talking about something more than cool, rational moments. We are also talking about moments with an emotional edge. Small wins are about enthusiasm, optimism, impact, improvements, intensity, accomplishments.

v ^ . *Suppose I want to design a small win. How do I go about it?*

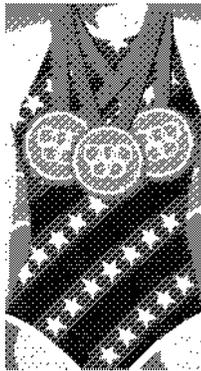
jfV.. Make no mistake. Small wins are not easy to design. They are easy to recognize, however. This is one reason it is so crucial to swap stories about small wins. Sometimes, simply reading a whole string of small wins sensitizes you to a way of thinking, which then makes it easier to spot novel small wins in the problems that concern you.

v ^ . *Is there anything a person can do to improve "small win" ability?*

l \ . One thing is to improve your own ability to be spontaneous and come up with new ideas. And, a way to do that is to take seriously what teachers of improvisation in the theater have learned. Their work suggests that actors find it very hard to act on impulse and to say whatever comes into their mind first. But it's important to pay attention to your first thoughts, and help others do the same. Small wins may become more obvious if you do less self-censoring.

V ^ . *But, how does a person improve the ability to be spontaneous?*

i \ . Apparently people always edit their first thought and wait until they have what they think is a better idea. Why? People fear that the first idea that pops into their mind is either psychotic, obscene, or unoriginal. Let me say a word about each of these three fears.



Gold medalist winner Mary Meager has been quoted as saying "People don't know how ordinary success is."

First, most people are convinced they are a little crazier than the average person. So they spend a lot of energy trying to appear normal. Second, people find many things repulsive, shocking, or obscene, but they vary enormously in what those obscene things are. If you're warm, spontaneous, and giving rather than calculating and self-obsessed, then should you say something that is heard as obscene, you can simply rephrase the idea.

Third, the fear of being ordinary and unoriginal is antithetical to the design of small wins. Obvious things are things you can do. And obvious things, because of their very obviousness, often have been left undone. People who try to be original usually sort through their ideas and discard everything they think is obvious. What they overlook is that artists who are inspired are invariably obvious. The inspired artist is not making any decisions, he's not weighing one idea against another. He's accepting his first thoughts.

v ^ . *Besides learning to pay attention to first thoughts, is there anything else a person can do to improve "small win" ability?*

A. Yes. If we look at the six characteristics of small wins, we can get a better feel for how to design small wins and why it is worth the effort to try to carve

them out of sprawling definitions of problems.

When you're starting to design a small win, here are some things to look for:

• **Match Details with Your Abilities**

Every example of a small win I've mentioned was created because someone noticed something that was seen but not appreciated by everyone else. When you know something very well, you see more clearly how things are connected and how a small change can fan out and have large effects. Alternate ways of acting and structuring come from intimate knowledge, not from superficial knowledge. The competitive advantage of the United States will not be found by blaming others for the bad outcomes and taking credit for the good ones. Instead, competitive advantage will come from a deeper knowledge of what we do better than anyone else. The top management team seldom understands their organization very well, nor do they have much awareness of the resources they have within the firm. Their blind-spots are your power base. You represent a pair of fresh eyes that can spot what seasoned people take for granted.

• **Signal Intentions**

Small wins can powerfully signal intentions. I know of no better example of this than Ted Turner's practice of fining every employee at CNN \$100 every time they use the word "foreign." Turner is adamant that the word "foreign" has no place in a borderless economy. The problem of getting people to think globally is large, elusive, and difficult, so Ted Turner redefined the issue as one of words. And, if that's the problem, Turner can do something about it by fining people when they use the word "foreign." That's a small, stand-alone, complete project that solves the problem of people separating the world into foreign and domestic when they talk about it. Penalties for using the word "foreign" exert change on categories used in thinking. And, once those categories begin to change, additional changes follow.



• **Control Events**

A small win is a controllable improvement, not an empty promise. A small concrete change can be made, which then may have much larger effects. A study of Olympic swimmers found that Olympic swimmers do not differ from other excellent swimmers because they do more of the same things. Instead, they do different kinds of things. Doing more of the same thing does not produce an Olympic swimmer. Doing things differently, may. For example, Mary T. Meagher, who won three gold medals at the Los Angeles Olympics, made two qualitative changes at age 13 when she vowed to break the world record in the 200 meter butterfly race. First, she began coming on time to all practices. That habit, that discipline, she now says, gave her the sense that every minute of practice time counted. And, second, she began doing all of her turns, during those practices, correctly in strict accordance with the competitive rules. Most swimmers don't do this: they tend to turn rather casually, and tend to touch with one hand instead of two. Less than one year after she made these two qualitative, mundane, small changes, Meagher broke the world record in the butterfly. She has been quoted as saying, "People don't know how ordinary success is."

• **Create Stand-Alone Outcomes**

Small wins make a complete small improvement which survives. It may be the only improvement people can make, or it may be one of many improvements that can be gathered together to form a larger win in retrospect. Whatever its fate over the longer term, it is something that can be recognized as desirable, that

Language experiments uncovered entrenched sexism that had been invisible,

can be pointed to as a model, and that can be incorporated as a piece of a large change or trend. My favorite example of this happened in 1986 at the annual Fourth of July parade in Sandusky, Ohio. Liability insurance for the parade had gone so high that the city couldn't afford it. So they reversed the action. Literally. The band marched in place, the county fair queen waved to her subjects from a float moored to the curb, and the spectators paraded past the bands and floats, rather than the other way around. The event was dubbed a Reverse Community Parade. As one of the organizers explained, "By not having a mobile parade, we significantly reduced the issue of liability." And, at the end, one of the organizers said, "I think we've started a new tradition." The organizers have a success under their belts which may embolden them to tackle other so-called threats which they can turn into opportunities.

• **Conduct a Small Experiment**

I think my favorite way to describe small wins is as miniature experiments which test implicit theories about resistance and opportunity. They uncover both resources and barriers that were invisible before the situation was stirred up by the experiment. A good example of this is the feminist campaign against

sexism. This campaign has been more successful with the smaller win of desexing English than with the larger win of desexing legislation (such as the ERA amendment). Attempts to induce self-consciousness about sex references in speech revealed that language was more susceptible to change than had been thought earlier; that opponents of language change were more dispersed, more stuffy, and less formidable than anticipated; that sex-biased language was more pervasive and therefore a stronger leverage point than people realized; and that language reform could be incorporated into a wide variety of agendas. Language experiments uncovered entrenched sexism that had been invisible and created a more differentiated picture of allies, opponents, bystanders, and issues.

v ^ . *Can we sum all this up?*

l \ . I think we could say that small wins represent a lot of people working in parallel on their own versions of what would improve things. So the mind set would be to find an opportunity in your own setting and then do something to improve it. Start doing the things you think should be done. The larger lessons for small wins are clear. Large consequences can be produced by small actions when people change the only thing they can change — their own actions. There is great power in local action to disclose new possibilities. What could be more local than yourself, and what could be more immediate than your own action? It seems to me that the wisdom of small wins is the best single tool I can hand to you as you do battle with the turbulent '90s. •

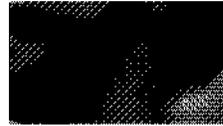
Three New Chairs Established at B School

The Ability to Offer a Chair Can Provide the Vital Difference in Retaining Key Faculty, According to Dean B. Joseph White

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C. K. Prahalad the first Harvey C. Fruehauf Professor of Business Administration, is pictured lecturing in an Executive Education class.

The critical factor in my decision to remain at Michigan was the offer of an endowed chair," said a distinguished Business School faculty member who was being heavily recruited by other universities. "I realized that the freedom and research opportunities made possible by the endowment far outweighed the possible financial gains at another university."

In the past several months, three new endowed professorships — a record number for such a short period of time — have been established at the Business School, thanks to the generosity of the Fruehauf Foundation; of William Russell Kelly, founder and chairman of Kelly Services; and of the Frey Foundation.

"We are so grateful to the donors who make endowed chairs possible," said Dean B. Joseph White. "Because faculty are central to the School's future success, it is imperative that we create a model environment for them. Endowed chairs are a major way we can ensure that Michigan is a stimulating and attractive setting worthy of the finest faculty, because faculty are the heart of the Michigan Business School."

Faculty members at the Michigan Business School are an unusually young group — the result of an aggressive recruitment campaign during the 1980s. Their most productive years are still ahead of them, and for that reason they are exceptionally attractive to competing institutions. The ability to offer a chair can provide the vital difference.

Below, we bring you the details about each of the new professorships:

• *The Harvey C. Fruehauf Professorship*

The first holder of the new Harvey C. Fruehauf Professorship is C. K. Prahalad, professor of corporate strategy and international business, who was recently named by *Business Week* magazine as "the most influential thinker on corporate strategy today."

The new professorship was established with a \$1.5 million gift from the Fruehauf Foundation, with Harvey C. "Bud" Fruehauf, Jr. and his sister, Barbara Bristol, as principal donors. The professorship honors the memory of Harvey C. Fruehauf, a pioneer in the trailer manufacturing business and a legendary figure in Michigan business history. He was known for his fresh and innovative thinking, competitive spirit and high standards, and personal leadership.

"C. K. Prahalad champions these values through his work in both the academic and business worlds," said Dean B. Joseph White in announcing the professorship. "His superb performance in both our degree program and executive education classrooms is well known. His loyalty and dedication to the Michigan Business School are extraordinary. C. K. brings high visibility and distinction to the Michigan Business School, and makes a difference in the lives of his students."

Prahalad has twice received the Student Award for Teaching Excellence. Selection of this winner is made annually based on student nominations, students' comments, and course evaluation scores.

Prahalad is also the winner of two McKinsey Awards, given annually for the best article(s) to be published in the *Harvard Business Review* and meant to recognize outstanding and readable articles that contribute to top managers of businesses and are likely to have major influence on their actions. In 1989, a panel of distinguished leaders selected "Strategic Intent," by Prahalad and Gary Hamel, lecturer in business policy and



Gregory Fox

Seated in the front row are Harvey C. "Bud" Fruehauf, Jr. and his wife, Susanne. Standing, from left to right are U-M Provost Gilbert R. Whitaker, Jr.; Barbara (Fruehauf) Bristol and her husband, David; and Business School Dean B. Joseph White. The new professorship was established with a \$1.5 million gift from the Fruehauf Foundation, with "Bud" Fruehauf and his sister, Barbara Bristol, as principal donors.



Harvey C. Fruehauf, Sr., in whose memory the new professorship was established.

management at the London Business School, to be the first-place winner of the McKinsey Award. It was published in the May-June, 1989 issue. The 1990 second-place McKinsey Award went to Prahalad and Hamel for their article, "The Core Competence of the Corporation," which appeared in the May-June, 1990 issue.

Professor Prahalad received his Doctor of Business Administration from Harvard University in 1975 before coming to the University of Michigan in 1977. He has published numerous articles in major business journals, and is co-author, with Yves Doz, of the book, "The Multinational Mission — Balancing Local Demands and Global Vision," published by The Free Press, a division of Macmillan, Inc., in 1987. The book is based on six years of research using internal company documents and inter-

views with over 500 top executives in more than 20 global firms. Prahalad continues to do research on the strategic management of large, diversified corporations and on the role and value-added of top management as an emerging source of global competitive advantage. He and Hamel have collaborated on a new book, tentatively entitled "Competing for the Future" to be published in Fall, 1993. •



Used with permission of Kelly Services, Inc.

William Russell Kelly, Kelly Services' Founder and Chairman of the Board, who has established the new professorship.

The William Russell Kelly Professorship

William Russell Kelly, founder and chairman of Kelly Services, has endowed the William Russell Kelly Professorship of Business Administration, which will support teaching and research in the field of human resource management.

In announcing the gift, Kelly commented, "As the demographics of the workforce continue to change and new work styles emerge, the field of human resources is expected to contribute to the definition of corporate business strategies and to the development of structures to meet these changes. It's important that this change is reflected in business courses at the university level."

"We are delighted to accept this generous gift from Mr. Kelly" said Dean

B. Joseph White. "Our organizational behavior and human resource management faculty and programs are the best in the country. This endowment will strengthen our capability in this vital management area."

Founded in Detroit in 1946, Kelly Sendees is the nation's largest staffing support company and provides human resource services in office, marketing, light industrial and technical areas to a broad group of business customers. The company also provides in-home care through its subsidiary, Kelly Assisted Living® Services.

"Successful businesses require capable people and managers who involve them, develop them, and treat them with respect and dignity," commented Kelly. "These are the values that have guided us at Kelly Services. I am confident that the professorship at the Michigan Business School will benefit generations of business enterprises and people by fostering more thoughtful and effective human resource management."

Mr. Kelly's stepson, Terence E. Adderley chairman and CEO of Kelly Services, received his BBA ('55) and MBA ('56) from the Michigan Business School and is a member of our Visiting Committee, *m*



Used with permission of Kelly Services, Inc.

Terence E. Adderley, BBA '55, MBA '56, President and CEO of Kelly Services, is the stepson of Mr. Kelly and a member of our Visiting Committee.

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Edward J. Frey, Sr. in whose memory the Frey Professorship of Banking was established by the Frey Foundation of Grand Rapids. For 31 years, Ed Frey headed Union Bank & Trust Co., now part of NBD Bancorp.

• The Edward J. Frey, Sr. Professorship

The Edward J. Frey, Sr. Professorship of Banking is named in honor of Grand Rapids' native Ed Frey, who for 31 years headed Union Bank & Trust Co., now part of NBD Bancorp. A man who combined superb management skills with entrepreneurial initiative, Frey developed a number of banking innovations, including installment loans for mobile homes, and founded the Foremost Corporation, one of the nation's top insurers of mobile homes and recreational vehicles. The professorship in his honor has been established by the Frey Foundation of Grand Rapids.

The Frey Professorship will be awarded to an individual whose teaching and scholarship will have a significant impact on public policy and the practice of banking and financial services, said Dean B. Joseph White. "Mr. Frey was a distinguished businessman, innovator, community leader and humanitarian, as well as a long-time friend of the University. With this professorship, we can strengthen the School's expertise in banking while

Three New Chairs

infusing our students with an entrepreneurial spirit and commitment to community, state and country, Mr. Frey so clearly demonstrated these principles in his life and by establishing the Frey Foundation."

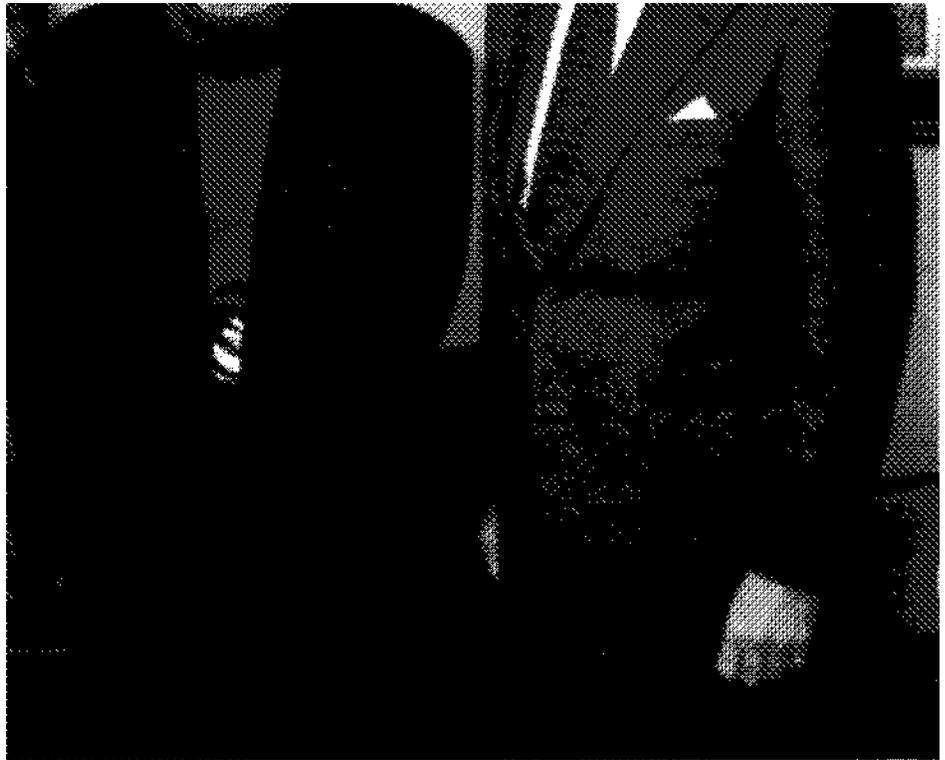
Edward Frey established the Frey Foundation with his wife, Frances T. Frey, to promote worthy community and educational programs. Frey's children, Edward J. Frey, Jr., David G. Frey, Mary Caroline (Twink) Frey, and John M. Frey, continue his interest in philanthropy and community service and serve as trustees of the family foundation.

"Our father had very strong ties and a very special feeling for the University of Michigan," noted Mary Caroline (Twink) Frey. "He recognized the University for not only what it provided him personally as a student, but also how it has enhanced the lives and careers of thousands of others."

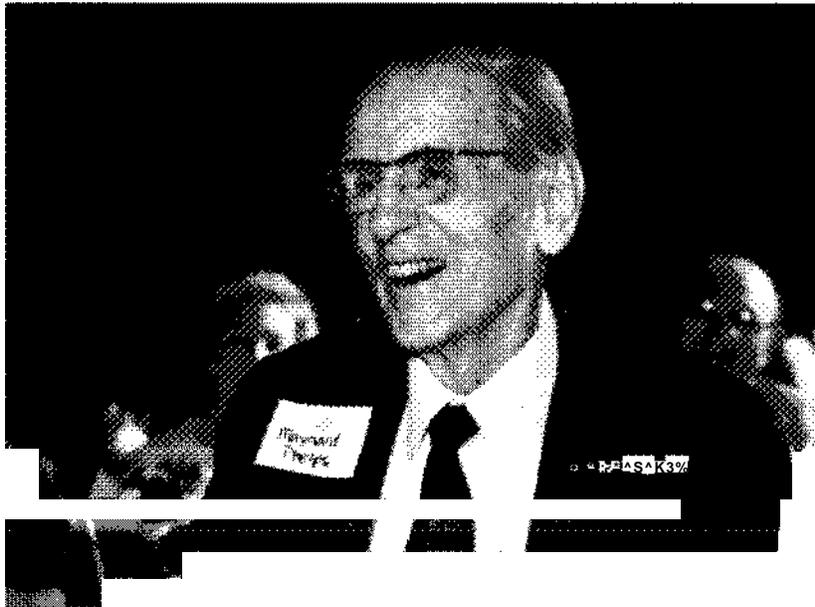
She said members of the Foundation have been particularly impressed with Dean White's efforts to stress that Business School students should gain practical, "hands on" experience in the world of work, as well as knowledge through study and classroom lectures.

"The Frey family and their Foundation see the endowed professorship as an ideal way to honor the memory of Edward J. Frey and to further advance the University's outstanding School of Business Administration," she added.

Edward J. Frey, Sr. received his undergraduate degree from the U-M in 1932, beginning a family tradition of association with the University that has continued for over 60 years, with a number of Frey family members having attended or graduated from the University, *m*



Mary Caroline (Twink) Frey and David Frey, who, with their brothers Edward and John, serve as trustees of the Frey Foundation which established the new professorship.



D. Maynard Phelps at the Business School dinner last spring where the establishment of the new professorship in his honor was announced.

D Maynard Phelps, professor emeritus of marketing who taught at the Business School for 40 years, died Jan. 1 in Ann Arbor at the age of 95.

During his long and distinguished career, Phelps served as president of the American Marketing Association, authored several books, and received a Distinguished Faculty Achievement Award from the University in 1961.

Last spring, just in time for his 95th birthday, the Business School honored him by establishing the D. Maynard Phelps Collegiate Professorship in Business Administration. In 1988, the executive lounge located in the Assembly Hall Building was renamed the D. Maynard Phelps Lounge in his honor.

"Maynard Phelps contributed enormously to the Business School, generations of his students, and to the body of marketing knowledge. He was a valued colleague and friend," said Dean B. Joseph White.

During World War II, Phelps had several assignments with the U.S. Department of State. He was a member

of the Rosenman Mission to Western

European countries, deputy delegate to the Paris Conference on Reparations and deputy U.S. representative to the Allied Commission on Reparations. "Perhaps in part because of his years in international economic diplomacy, he played a key role in the initial Ford Foundation grant to our School which really began the internationalization of our program that we see today," said Professor Paul McCracken in remembering him.

Phelps received his MBA from the Business School in 1926 — the year of the graduation of our first class. The class held a formal reunion every decade and many informal get-togethers, and Phelps remained a devoted and active alumnus of the School as well as a beloved faculty member. He received his Ph.D. from U-M in 1931.

At the memorial service, Professor Paul McCracken spoke as follows: "It is Maynard Phelps the person whom we remember with so much affection and admiration. The Phelps were always so helpful to new, young members of the faculty. We were ourselves in that category almost 45 years ago. Ruth and I

still remember an early dinner at the

Phelps' home — Maynard with his lively conversation and ebullient, engaging warmth — Mildred with her quiet and comfortable competence, Marcia then beginning high school, and Rick not far behind.

"At the old faculty club I used to watch with amazement and awe as, in the post-lunch bridge game, Maynard's enthusiasm would lead him to overbid, and his skill would enable him to make it.

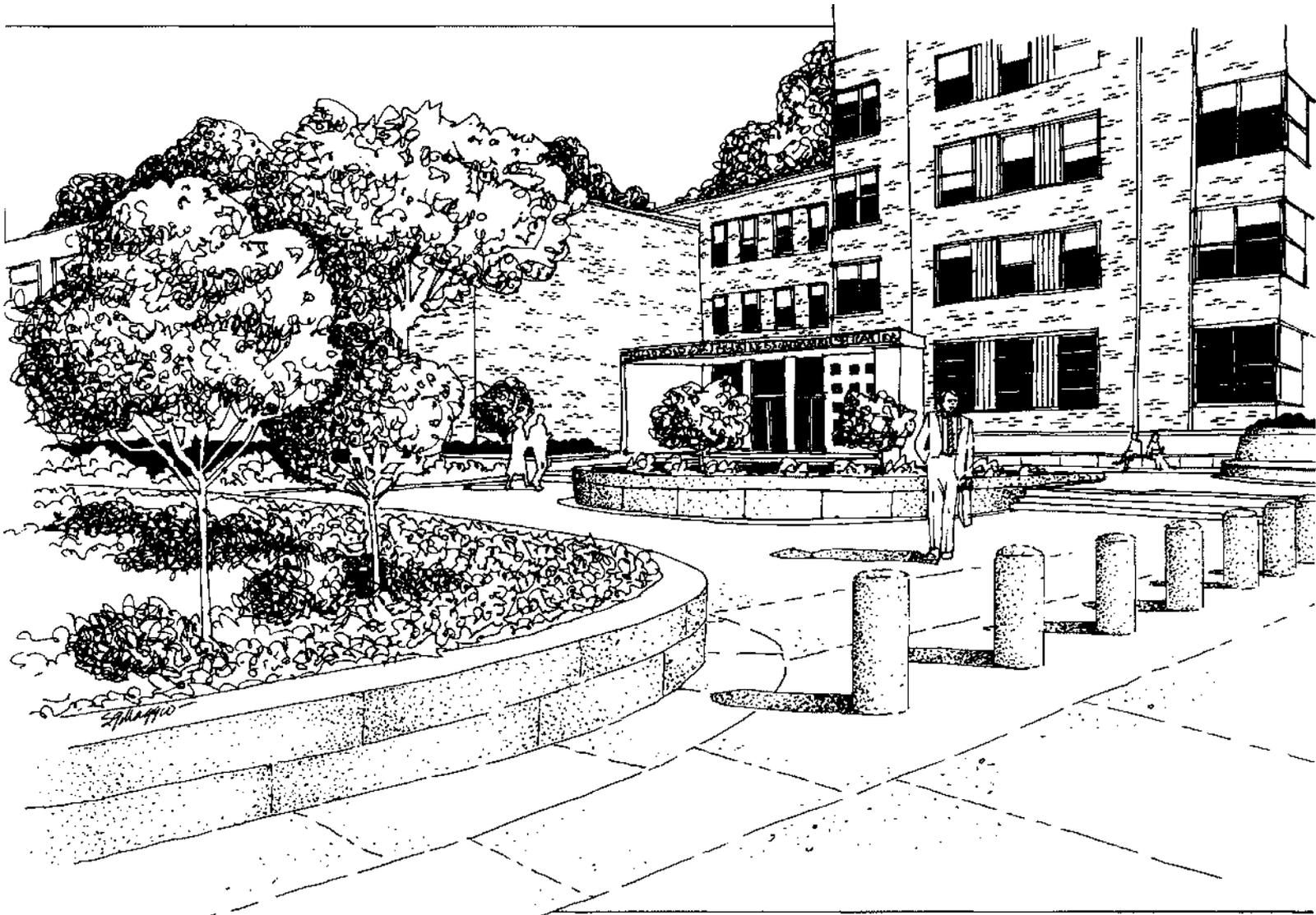
"Whenever I enter the School's Phelps lounge, I remember with deep gratitude long years of association with this distinguished scholar and public official, and the great personal privilege of friendship with such a warm and lively human being."

Survivors include his wife, Mildred; two children; three grandchildren and two great-grandchildren.

Memorial contributions may be made to the D. Maynard Phelps Fund for Doctoral Fellowships in Marketing, The Michigan Business School, Ann Arbor, Michigan 48109-1234. •

Revolutionizing Managem

By B. Joseph White, Dean,
the Michigan Business School



ent Education in the 1990s

In this article I want to report on how we are revolutionizing management education at the Michigan Business School. Our reason for doing so is simple. We are on a mission, and that is to make Michigan the world's leading business school in the 1990s, and to be recognized as such. Our means of achieving this goal is innovation: educating business people in new ways that fit the times, while retaining the best of traditional management education.

We begin with our fundamental beliefs at the Michigan Business School about management education in the 1990s.

- First, we believe that *management matters and that the goal in business is to win competitive battles*. Nothing interests me or our faculty more than the question of why some companies win and others lose *while facing similar economic conditions*. Why, for example, did GE and IBM (or Ford and GM) both begin the decade of the 1980s facing similar challenges, and by 1992, GE is thriving while IBM is struggling? Similarly Ford is positioned to prosper in an economic upturn while GM is trying to staunch such massive bleeding in its North American automotive operations that the company, as we know it, is likely a thing of the past. Management does indeed matter!

On the issue of winning, let me offer you an analogy. At Michigan we see ourselves in the business of developing sailors who can win races, not technicians who can forecast wind and water conditions. This is not to say that we are not interested in macroeconomics and economic policy. We are. But the truth is that in business, your job is to win whether the wind is at your back or in your face, whether seas are rough or flat.

- A second core belief is that *knowledge and the ability to translate it into business results are a key source of competitive advantage* for any business or business person in the 1990s. By business results, I mean the achievement of world class products, services, quality, cost, delivery, and financial performance. As U-M President James Duderstadt is fond of saying, in the 1990s and beyond, knowledge, far more than raw materials or geography, is the new, true wealth of nations. If you had today to choose between having a physically well-endowed nation with a command economy and a poorly educated management cadre — or a nation with few physical endowments, but a market economy and well-educated management, there is no doubt which you would choose. That choice was made fifty years ago; one economy was the Soviet Union's, the

other was Japan's. Today, the race is over, and the results are clear.

- A third core belief is that *education is a powerful tool in transforming organizations and increasing individual effectiveness*. When revolutionaries take over a country, they immediately take control of the schools and the media. Smart senior managers who are trying to remake their companies to fit the new competitive realities know that education can be a powerful ally and they communicate, communicate, communicate with their people! Jack Welch used GE's Crotonville management education center relentlessly through the 1980s to change minds and the corporate culture. Motorola University has played a central role in that company's achievement of world class quality. So, education can help transform companies. Similarly, smart business people understand the importance of education as they face a lifetime of career change — sometimes within the same job, sometimes as a result of job change or changing companies. Lifelong education — investing in yourself — is the key to successfully managing the lifetime of career change we all face.

So, these are core beliefs at the Michigan Business School: management matters, the goal is to win, knowledge is power, and

education can help transform organizations and individuals. Now, how are we acting on those beliefs?

In a nutshell, our strategy to achieve the goal of being the world's leading business school in the 1990s is to out-innovate our competitors while never losing sight of the traditions that made Michigan a great business

"Smart senior managers who are trying to remake their companies to fit the new competitive realities know that education can be a powerful ally, and they communicate, communicate, communicate with their people!"

school in the first place. I'll get to innovation in a minute. With regard to tradition, three things count: leading edge ideas, functional education, and broad strength. Let me comment on each.

Last year, when our customers rated us #1 in executive education through a *Business Week* survey the article reporting these results stated that "employers say

the Michigan Business School does the best job of delivering 'big impact ideas.'" That's a Michigan tradition, whether the ideas are Bill Paton's that revolutionized accounting practice in the 1940s and '50s, or C. K. Prahalad's today on strategic intent and the core competencies of corporations, Kim Cameron's work on organizational downsizing, Michael Bradley's work on bankruptcy reform, Karl Weick's work on small wins, Claes Fornell's work on customer satisfaction measurement, or many others.

Excellence in functional education is another Michigan tradition. We believe students come to our BBA and MBA programs primarily to learn the ten subject areas that comprise our core, required courses. These are strategy, international business, economics, marketing, finance, accounting, statistics, organizational behavior, computer information systems, and operations management. The functional core is the heart of our professional degree programs, and we remain committed to excellence in these core courses.

With regard to broad strength, let me note the following. In *Business Week's* recent MBA rankings, only Michigan was rated as a "top five hunting ground" by employers in all five key areas of hiring: finance, accounting, marketing, production, and general management. We are not a niche player or a boutique in the management education business. We are broad and strong.

o much for our traditions, but why our emphasis on innovation as we drive to be the best business school in the 1990s? At first glance, one would think our traditional strengths are sufficient for success. But they're not. Business and the needs of business people are changing at an unprecedented rate. Business is moving rapidly to global markets,

the powerful forces of change affecting our customers.

Let me give you the flavor of our innovations in the MBA and BBA programs, and in executive education.

We have seized our MBA orientation week as a critical "teachable moment." The students are new, nervous, and excited about business and business school. So, instead of devoting hours to where the lockers are and



to network organizations, to a culturally diverse work force, to time-based competition, to cross-functional management and teamwork, to anytime, anywhere customer service, to operations revolutionized by information and communications technology, and to activist corporate governance. In the face of these changes, we at Michigan believe that innovation in management education is essential. Stated differently, we are not exempting ourselves from

how to drop and add courses — standard fare in orientations — we have them listen to CEOs like Roy Vagelos of Merck or Dave Whitwam of Whirlpool talk about the challenges facing their companies, everything from how to go global to how to be a responsible corporate citizen. Then we involve a group of over 500 students, faculty, and business executives in a half day of teambuilding and problem-solving conducted by staff from the Outward Bound program at Hurricane

Island, Maine. Next, we fan out in teams across southern Michigan, from Benton Harbor to Detroit, and do a couple of days of work with community organizations — human service groups, neighborhood restoration projects, dropout prevention efforts, and so on. We do this to learn to work together, to meet the amazing leaders who achieve so much with so little in the nonprofit setting, and to remind our students that with the exceptional privilege of business leadership comes exceptional responsibility to give back to the community.

I am confident that by the end of orientation week, our students understand our viewpoint: that management is a performing art, that leadership is hard, sweaty work, that you have to roll up your sleeves, pitch in, and work effectively in teams to get things done, and that business and the communities where they operate are intertwined in many ways. Perhaps most important, in just a few day's time our students go from a group of strangers to a high energy, cohesive team ready to work and learn together.

Now, I want to tell you about a major structural change we have made in the MBA program. Courses, which are the basic units of instruction, have been reduced in length from fourteen weeks to seven because the fourteen-week course was too high a barrier to entry for a faculty member with an emerging interest. We have cut that entry barrier in half, and our reward has been a

flurry of innovation in our elective offerings. In addition, students have greater choice in the curriculum. Last week, a first-year MBA student told me that she had waived the first seven-week module of the required accounting course, and instead had taken our new seven-week course in business ethics. Now, she is entering the second seven weeks of the required accounting course. I almost cheered. This is exactly the kind of flexibility and increased choice for our students that we had hoped to achieve with our move to seven-week courses.

The most important curriculum innovation in the MBA program is something called MAP: the Multi-disciplinary Action Program. It was recently described in the *Wall Street Journal* as the business school equivalent of a medical school internship: required, interdisciplinary, guided, and hands-on. MAP goes directly to the criticism that MBAs don't know anything about how to manage and improve business operations. It also addresses the criticism that faculty give rise to the problem of functional silos or chimneys in companies by the highly specialized way in which they teach their subjects.

In MAP, faculty from four required courses (people, information, measurement, and operations) teach for seven weeks with a coordinated focus on how managers can use knowledge from their subjects to achieve

world class operational effectiveness, i.e., quality, cost, delivery, cycle time, and innovation. Next, we invite experts from companies like Xerox and Motorola to provide an intensive one-week executive education course to our students and faculty on process improvement. Then, teams of students, guided by faculty, work full-time on a project in one of sixty participating companies in which they analyze and improve a specific process or operation. Examples include reducing cycle time for mortgage processing in a bank, or improving material flow in a factory. The students make final presentations and recommendations to both faculty and company management, who evaluate their work and give feedback.

Another innovation is what we call Executive Skills modules. We are offering our students thirty hours worth of instruction to increase their personal and professional effectiveness. The goal is to increase their ability to turn ideas into action in the

workplace. Subjects covered include a management skills assessment, leadership, teamwork, communication, creativity, and managing diversity. Instructors are outstanding teachers from our executive education programs, and national figures like Steve Covey, author of "The Seven Habits of Highly Effective People." These modules are offered on a voluntary, non-credit basis to our 420 first-year MBA students and our evening MBA students who are approaching graduation. Attendance has been averaging 350 per session.

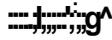
Finally, let me note that we are increasing our students' options to have an international experience during the two-year MBA program. Almost two dozen of our students participate in the Michigan Business Assistance Program in Russia and Eastern Europe. Other students have taken special courses on the European Community and doing business in Russia, which include on-site

experiences in those parts of the world. These opportunities will increase as a result of a recent \$30 million private giving commitment from Guardian Industries corporation to create the William Davidson Institute at the School. Bill Davidson, BBA 1948, owns Guardian, as well as the Detroit Pistons and the Palace of Auburn Hills. The purpose of the Davidson Institute is to assist nations around the world make the historic transition from command to market economies, and to bring management education to companies doing business in these transitional economies.

Our innovations in the undergraduate BBA program are also important. Let me cite just one. We have introduced a Senior Seminar option for students in the program. It is taught by two outstanding faculty members — Professors George Cameron and George Siedel — and in this year-long learning experience, our students do an extensive research project resulting in a major paper and presentation on a subject that integrates a topic from their liberal arts education with a business topic. For example, a student with an interest in conflict developed in political science or sociology may choose to examine the subject of conflict in supplier relations or employee relations in business. This seminar addresses the major criticism of undergraduate business programs, which is that they are a "layer cake" learning experience, with too big a gulf between

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the liberal arts and professional portions of the curriculum.

Executive education is a large and growing part of what we do at the Michigan Business School. Indeed, with annual revenues of \$17 million, it is our single largest program. Five thousand business people a year come to our thirty different programs. I'd like to mention three trends I think you will find of interest. First, Michigan has emerged as the international leader in short, focused programs. Our longest program is four weeks, but most go for one or two weeks. The focus is either functional (e.g., the Manufacturing Executive Program, or Advanced Human Resource Management), or topical (e.g., Activity Based Cost Accounting or the Global Leadership Program). By the way, the

Global Leadership Program, with participants from leading companies in North America, Europe, and Japan, was deemed in the *Business Week* survey to be the world's most innovative executive education experience.

A second trend in executive education is that many companies, especially small- and medium-sized businesses, have come to treat our executive education operation essentially as their training department. Some regularly send people who are rising in responsibility through a series of programs we offer called Basic Management, Management II, Management of Managers, Program for Management Development, and the Executive Program. This gives them the advantage of an integrated, sophisticated management education curriculum without the expense

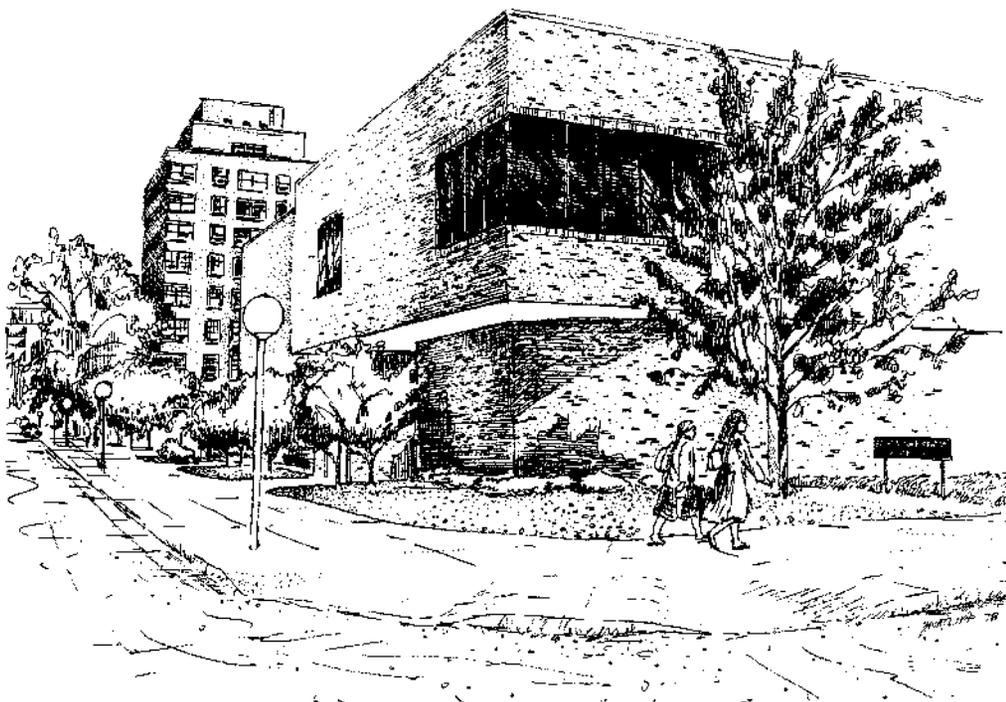
and burden of maintaining an in-house capability.

A third trend is that we are with increasing frequency partnering with companies to design and deliver an executive education experience that supports their change and improvement efforts. The best example is a program with Ford Motor Company called LEAD. We educated two thousand Ford middle managers over a two-year period of time to help ensure that they understand and have the required skills to contribute to Ford's quality, productivity, cost, customer service, and innovation objectives. We have undertaken partnership programs on a smaller scale with the Upjohn Company, Deutsche Bank, and others.

Executive education is a remarkably rich source of

innovative teaching and research ideas and faculty development for the School. It was our success in short programs in executive education that led us to cut our standard course length in the degree programs from fourteen weeks to seven. And looking to the future, I am now challenging our faculty and staff to make a radical new assumption based on an insight I have gleaned from executive education. Remember, that in executive education, we educate but do not grant degrees or academic credit for courses.

My challenge is this: *Let's assume that the degree we grant at the end of the MBA and BBA programs has no inherent economic value.* Now, we know that's not true; the degree has substantial value. But let's, to stretch ourselves, assume that the economic value of the credential that we grant is zero. Then, let's challenge ourselves to ensure that the substantial investment the student or parents make in earning that degree is warranted *anyway*. This means that at the end of the program, even if we did not grant a degree (which, of course, we do and will continue to do), the student and parents would still say — *it was worth it*. I learned so much, I gained so many new⁷ skills, I developed so much personally and professionally that even without a degree I am glad I made the investment. I can tell you that if all American higher education made this assumption, then lived up to the challenge it implies, we would see a dramatic upgrading in the performance of higher education and society's satisfaction with us. •



UNGN N fffl FIRST

By Jane Myers



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MBA student Tyrone Reid encourages Kevin Everette at the computer.

Students in a Global Citizenship Mentoring Project
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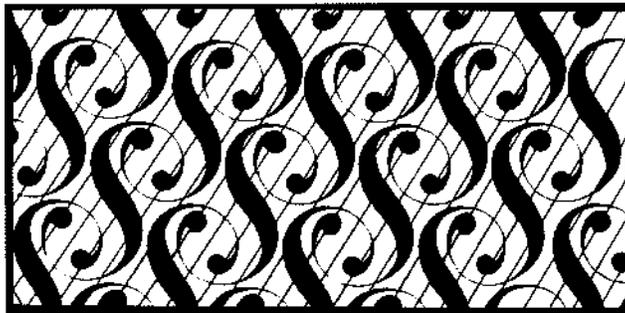
For one afternoon every week during fall semester, second-year MBA student Stephen Schulze went to Scarlett Middle School in Ann Arbor and played soccer with the kids as his part in the Global Citizenship Program initiated by the Business School. "That's all we did — play soccer," he says. "I worried that we weren't doing anything significant."

Then one day, several weeks into the program, when Stephen and his group were playing "capture the flag" in a woods behind the school, some students who had never before joined the group, decided to participate.

Later, for the first time, they came into the classroom where T-LC tutoring was going on. "Carol Tice, the director of the program, was ecstatic," Stephen recalls. "She told me that I'd put her in contact with students she otherwise wouldn't have been able to reach. That's when I realized that small things can be of really big value to these kids."

The T-LC mentors' program, in which Stephen is participating, stands for "Teaching-Learning Com-

munities," and is designed to mentor youths at risk. "One out of every four American youths drops out before completing high school," says Tice. "Mentoring can be incredibly important in helping kids make positive choices for their lives. And, we are all healed when a young person makes the decision to stay in school."



YOUR ANNUAL FUND DOLLARS AT WORK *

*We will be wing this symbol in Dfoidaid to let you htow about of the School that your Anatol Fimd help to support.

Participation in the mentors' program is one of several options offered to MBA students taking part in the Business School's Global Citizenship Program.

Launched in 1991 as part of the new MBA curriculum, the Global Citizenship Program begins with a two-day orientation experience during which students, working in teams, and cooperating with local service

groups, complete various projects. Along with participating corporate managers and faculty, they do such things as working with senior citizens through the Neighborhood Senior Service agency; spending time painting and fixing up a community center in inner city Detroit; cleaning up pollution in the Huron River;

cases to study; you plunge into it feet first. You're forced to do something; you're not there to just take a tour of the place. You can be a global citizen in your own environment. Our slogan was Think Globally, Act Locally. It works!" This year, Sean is the student coordinator of the Scarlett Mentoring Project.

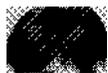
For a self-described "touchy-feely manager to be," the Global Citizenship Program has been perfect, Sean says. "It sets the theme for us to be conscious of our corporate responsibilities in the community," he says. "It gets you beyond the textbook."

Following the orientation experience, teams are asked to adopt a project to work on for the entire year, emphasizing the ongoing nature and complexity of the issues and the necessity for a long-term commitment to solutions.

"In the coming century, businesses will find themselves increasingly intertwined with global political, social and environmental issues," says Graham Mercer, director of the program. "Global citizenship starts at the local level with being aware, being concerned and being involved. Through this

and pairing up with junior high school students considered to be at risk of dropping out.

For most MBA students, their quick immersion in the real-life problems of real people is a powerful educational experience, says first-year MBA student Sean Hudson. "It's a high-impact emotional program that forces you to take action," he says. "You don't just have



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Jenny Rigiel of Mitchell School and MBA student Al Kwak enjoy a quiet moment.



MBA student Cheryl Middleton and GE Executive Rudy Reyes discuss how to help kids stay in school.

partnership the Business School seeks to develop future leaders — today's MBA students — with the executive skills necessary to meet the citizenship agenda of the 21st century."

Lisa Heineman, another MBA participant in the Scarlett School project, remembers her first trip through the neighborhood surrounding the school. "It seemed to be a neighborhood like the one I grew up in," she recalls. "Poor but ordinary. I couldn't understand why the kids there would need help."

But it wasn't long before Lisa discovered how deceptive exteriors could be. "There was one boy who pretty much spent his life outside school in video arcades," she says. "He'd basically been abandoned by his family. His conversations were all about sledgehammers. What he could pound with a sledgehammer, what he could destroy with a sledgehammer. In December, when we made sponge angels for the holidays, he cut the head off his angel."

By the time of the sponge angel's beheading, Lisa had

developed a higher threshold for surprise and a better understanding of the role she and her fellow MBA students were playing as mentor-volunteers. "The kids' basic need was to have somebody pay attention to them," she says. "And we did."

The MBA students came up with a variety of ideas for involvement with the kids — a "costume exchange" where everybody made quick costume changes; a "holiday fair" in which the kids made inexpensive gifts for their families; a theoretical "what's the most we could each purchase if we had \$15" project that turned into the real thing when each student was actually given \$15 to spend for gifts (the money came from a grant from Newman's Own Salad Dressing); an afternoon visit to the Michigan campus with a treasure hunt and time in the computer lab; a lot of soccer and basketball and Scrabble games.

"Instead of a landscape of dullness, which is how these kids perceive their lives, they gained a new, more exciting vision," says Tice. "The difference was amazing." This year, there are three times as

many Scarlett students participating in the T-LC program. "The word got out," she says.

Tice, who once taught art in the Ann Arbor Public Schools, began the nationally recognized T-LC program 21 years ago, using older volunteers (most often 60-plus retirees) to act as role models and mentors for "at risk" students. "The Michigan MBA students have brought a tremendous infusion of interest, focus and sheer energy to the program," she says. "I'm convinced they have made an important difference. I'm almost certain that one suicide was prevented," she adds, referring to a boy who was a member of a gang of "pretty depressed little boys" who were close friends of an 11-year-old who had taken his life early in the school year.

A measure of Tice's appreciation for the MBA mentors can be derived from the fact that when she was notified that she would be receiving a national "Break the Mold" award from the U.S. Department of Education for her many years of work

with "at risk" students, she requested that the formal presentation be held at the Business School.

After the success of the first year's program, the Business School Global Citizenship team approached the Detroit chapter of General Electric's Elfun Society, a group of GE managers and professionals that looks to the well-being of the community. As part of the school's desire to include corporate partners in the Global Citizenship initiative, they invited GE executives to a two-day workshop along with MBA students to discuss various Global Citizenship initiatives. From that time on, GE executives have become part of the T-LC mentor program, taking an active role in sessions at the school.

Now, the program is being expanded. Staff from the GE office in Southfield, Mich., are working with Tice and the Michigan MBA students to build a mentoring model that — like a tumbling waterfall — carries energy (and in the case of T-LC, experience and knowledge) downward, with the GE staff joining together with the



MBA students, GE executives and Scarlett students go into conference around a table at the Business School.



Latara Jones and MBA student Sean Hudson talk about future plans for the program.



Plunging in Feet First

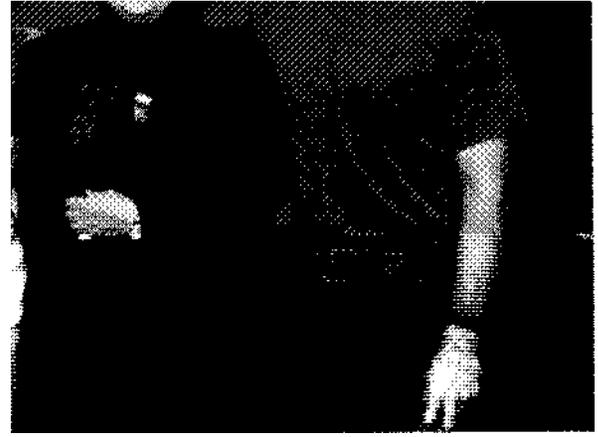
MBA students to mentor the high school students who in turn mentor middle school as well as elementary school students. As a waterfall scatters light in all directions, so, too, do the insights and revelations achieved through such interchanges move in all directions. "I think I learned more from the kids than they learned from me," says Lisa, expressing a thought shared in one way or another by all the MBA students.

All the MBA participants in the TLC program said the experience was so important to them that they wouldn't sign on with an employer in the future unless the company-supported community involvement. "It's not only good for the community; it's ultimately good for the corporation," says Stephen Schulze. "It rehumanizes the institution, prevents you from succumbing to the vision of the corporation as an impersonal place." Then he adds thoughtfully, "I suddenly realized one day how things are folded together, how interrelated they are — you can't look at the child without looking at the family and the community. But I found encouragement in that view; it gave me the insight that we can do something, that we can work at changing the family and the community" *m*



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Left to right, Richard Telgen, Lisa Heineman, Carol Tice, and Stephen Schulze pictured after the ceremony in which Tice received a "Break the Mold" award for her many years of work with "at risk" students. Richard, Lisa and Stephen are all second-year MBA students who have been active with the TLC Mentors' Program initiated by Tice at a local junior high school.

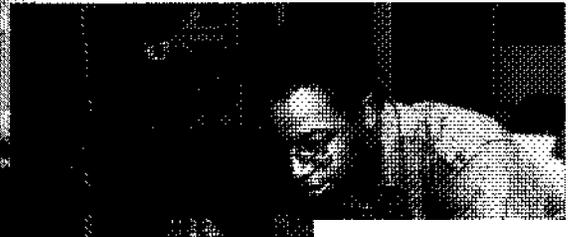


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< Pictured left, MBA student Paul Anderson shows Si arlett student Kevin Everette how to work a solution IK a puzzle.

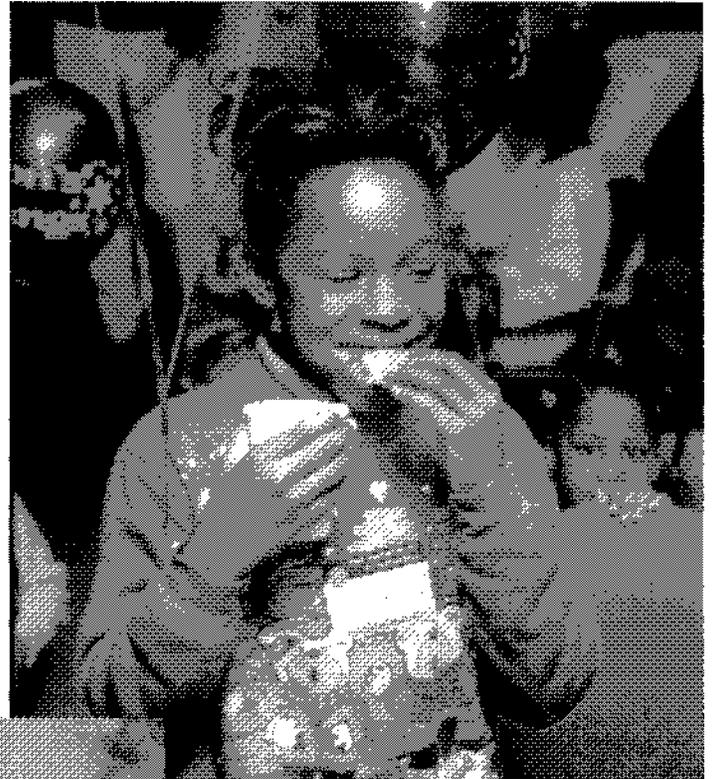


Pictured below, first-year MBA student Michael (onnors works with Lauren Wilkins (left) and Jennifer Rigel on the computer.



-4 Sean Hudson, MBA student coordinator of the Scarlett Mentoring Project.

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Above, Joleeta King enjoys home baked cookies at the Christmas party held at the Business School with MBA students and GE executives as hosts. Guests worked at the computers, held a "conference" in one of the Business School conference rooms, and enjoyed refreshments during the party.

•^ Pictured left, GE executives Mike Shaw (standing) and Rudy Reyes show Lakeyta Jones (left) and Cathy Ellis the calendars they brought as gifts for the students.

IN GETTING A GLOBAL MINDSET

Citibank and the Business School Offer Summer Internships for Faculty



Rajeev Batra, associate professor of marketing, is pictured in his office at the Business School.

By Laurie Freeman

We tend to think that what works in the U.S. will work in Europe," says Rajeev Batra, associate professor of marketing. "But one thing I learned during my summer internship with Citibank is that that isn't necessarily so. Conditions in Europe are different,

consumers are different, competition is different and regulations are different. So the same marketing mix may not work."

Batra's summer internship was part of a program initiated by Citicorp/Citibank and the Michigan Business School to advance the professional development of faculty members, while at the same

time contributing to the business needs of an overseas office of a globally-oriented corporation. The program fits well with the Business School's goals of expanding its worldwide presence while offering faculty members a chance to combine academic research with "real world" experience.

Batra was assigned to do an inde-

pendent appraisal of the advertising and direct marketing strategy used by Citibank's European Consumer Services group for its retail consumer banking operations and its credit card business. He was based in Brussels, Belgium, but his analysis included advertising and direct marketing strategies in Germany as well.

"I took a complete look at every aspect of their advertising, direct marketing and branch communications," said Batra. "This included how they communicate with the customer through signage and so on at their branches, the way they allocated their advertising money, and the content of their advertising, as well as how they were testing its effectiveness."

To facilitate Batra's study of its advertising efforts, Citibank granted open access to its executives, who he says were very forthcoming with information. "I've never before looked at a company's entire effort; it was a terrific experience."

Batra not only found himself interested in the financial world, an industry he did not have much experience with, but also found himself intrigued by the context of the project he was assigned. "Consumers in Europe are very different from consumers in the United States in how they make banking decisions," he explains. "U.S. consumers, who tend to move quite often, are used to changing their banking relationships. But in Europe, consumers don't move all that much, and they develop a long-lasting relationship with their bank. Banks in Europe also do a lot for their customers. For example, people in Europe don't write checks. Most payments are done by the bank on a standing order. You want to pay your dentist, you send something to your bank and they transfer the money electronically to your dentist's account."

In order to change banks, all of these accounts must also be moved, so it's very difficult to persuade a consumer to switch banks in Europe. Citibank is trying to develop its own niche by upgrading branches,

acquiring banks to add to its operations, and adding services that other European banks don't offer, such as "live" telephone banking, rather than computerized banking transactions.

Batra's other research interests include studying emotions that ads evoke in people and the effect these emotions may have on their attitudes towards brands. He also asks questions such as "under what situations do emotional ads work, how can they be made to work better, and how do you measure how well they are working?"

Batra's analysis covered Citibank's operations in Germany and Belgium, but he said his suggestions also could be applied to Citibank's operations in other European countries. He comments, "I think Citibank wanted an outside look at its advertising because every company develops its own orthodoxies and sacred cows on what's right and what's wrong. I was able to give them a different way of looking at things ... a comprehensive critique of the way they do their direct marketing and advertising."

Anecdotes from the Citibank internship have found their way into Batra's course on advertising management. "When I talk about how managers should evaluate the effectiveness of advertising, my Citibank experience enters in, and I plan to incorporate a module on global advertising, based on my summer internship, into the course as well."

He also used part of his time in Brussels to contact professors at the University of Leuven, Belgium to begin some joint research projects in global marketing. "In many ways I'm just more aware of international marketing and advertising than I was before," he says. "As an individual, I feel tremendously enriched and am very grateful for the opportunity to have had this internship."

Professor Batra was the third Citibank summer intern and the first marketing professor to participate in the program. Previous summer internships went to Bernard Yeung, assistant professor of international business, who worked at Citibank Hong Kong in the summer of

1989. That internship, he says, allowed him to gain insight into the internationalization theory of direct foreign investment, a topic important to his current research. The second internship was held by Professor of Accounting Eugene Imhoff, whose major internship project was to develop a comprehensive explanation of asset securitization that could be used by Citibank internally. Imhoff says his teaching has been enriched by the many experiences he had during

Anecdotes from the Citibank internship have found their way into Batra's course on advertising management. "When I talk about how managers should evaluate the effectiveness of advertising, my Citibank experience enters in, and I plan to incorporate a module on global advertising, based on my summer internship, into the course as well."

the internship, which, he says "will benefit me and my accounting students for many years to come."

Goals of the internship program are: 1) to influence the way faculty members identify and treat global issues within the context of a course in their discipline; 2) to encourage faculty members to develop international examples and a global orientation that can be used to help students understand the nature of global competition and its impact on the social, economic, legal, and political fabric of the United States; and 3) to provide the context for interpreting global events and the consequences of global competition. •

The Maize and Blue in Russia

It's not an easy task teaching market principles in a place where just a few years ago it was considered a crime to sell something privately.

But that's one of the challenges taken on by second-year MBA students Joe Kostolansky and Joe Mashkovich, who spent the summer working as consultants to the Central Aerohydro-dynamic Institute (known as TsAGI), which is located in Zhukovsky, about 15 miles south of Moscow.

The students were funded by the Michigan Business Assistance Corps, which places about 20 students every year in Poland to help companies take root, said program director Marian Krzyzowski. This is the first Russian project.

TsAGI has been the leader of space and aviation development in Russia for the last 70 years and is known worldwide for its technology: the formidable MiG fighter planes, the Soviet space shuttle, and the Aeroflot jets. Their in-house technology also includes wind tunnels, aviation software, flight simulation software, and material technology.

Today, that technology is for sale. The Institute has signed a contract with Boeing Aerospace Co. and is working on deals with McDonnell Douglas and British Aerospace. They hope someday to generate enough international business to become profitable.

Since TsAGI no longer receives the majority of its funding from the Russian government, it has begun to feel pressure to commercialize its technology. Toward this endeavor, thirty employees set up an export company within the Institute to market the technology and develop corporate relations worldwide.

This is where the two Joes entered the picture. They helped develop marketing plans, all the way from drafting letters and doing videotapes, to targeting specific companies as potential

clients. "It's a whole new ballgame for TsAGI," said Kostolansky. It's easy for them to approach a Boeing or a British Aerospace, because the big ones have always known about the secret Russian aviation industry. But, if they want to establish ties with smaller business, then that's the job of marketing."

But, Kostolansky and Mashkovich did not limit their efforts to marketing. Other projects included producing a brochure which catalogued the technology, resources and facilities at the institute: instructions on how to prepare and read a contract; and advice on how to write a business document. They also organized a press conference for all the major Western news bureaus in Moscow to bring more attention to the Institute. Several articles appeared in U.S. newspapers, including the *Washington Post* and the *Detroit News*.

Kostolansky and Mashkovich lived in an apartment in Zhukovsky, a city of 100,000 people who dwell mostly in Moscow-style prefabricated concrete apartment buildings. For the most part, the two were on their own, though their arrangement with TsAGI included a person who bought food and cooked for them three times a week.

The experience was especially memorable for Mashkovich, a mechanical engineer whose family emigrated to Connecticut 14 years ago from Odessa, Russia. After college, he moved to Michigan and worked at the Thielenbausch Machine Co. in Novi and in Dow Chemical Co.'s international department before joining the MBA program. For Joe Kostolansky, who had previously worked in U.S. aerospace technology, the experience was a chance to see Soviet aerospace technology first-hand and have an influence on those in the field. Both men hope to pursue careers in international business.

In reflecting on their summer's experience, both Joes said they felt their main contribution to the Institute was in changing attitudes, particularly in promoting the concept that there is more than one method and one solution to any one problem. Kostolansky thought his greatest contribution was "teaching Institute employees how to plan and follow-through on projects."

The Institute has started a small-scale conversion to private enterprises — a shoe factory is underway, some workers are making wall coverings, and heat chambers developed to test heat-resistant tiles of the Buran space shuttle are being sold to dry lumber for furniture-making.

Still, the scientists and engineers would like to use the technology they developed over the years — testing airplanes, rockets, and missiles — and invent new ways to use it. One idea is to adapt the technology for the automobile industry both in Russia and overseas to conduct tests for vibration, loading and aerodynamics. Program director Krzyzowski said a Ford Motor Co. official had visited the Zhukovsky facility recently for "exploratory meetings."

The two Joes' time at the Institute culminated with the first open air show ever held by Russian aviation. U.S. Embassy officials, high-level members of the U.S. Air Force, and American business were invited to the Institute which threw open the doors and invited the public to see strategic bombers, MiGs and the space shuttle up close. The show was so spectacular that Kostolansky attended it four days in a row.

The two MBA students also set up seminars for the small but growing businesses in Zhukovsky. The seminars met every Friday for approximately 20 managers, and classes were a mixture of MBA core topics and practi-

cal applications. Questions included what are shareholders, what is the formation of a company, and how do I contact a Western business?

The seminars ended with a trip to the U.S. Commerce Department office in Moscow, where the students were taught how to use business directories, library materials, telex, and fax, and how to contact possible clients in the U.S.

The biggest problem is capital. Most entrepreneurs are starting with nothing, and desperately want Western partners to invest hard currency. "The favorite two words of businessmen at Zhukovsky are "joint venture," said Kostolansky.

Reflecting on their summer's experience, Kostolansky and Mashkovich talk about living in a country⁷ full of dichotomies. Kostolansky, who had never been to Russia, remarked that he left the country feeling "not pessimistic but not that optimistic either." He spoke of the dismay of the general population that Western goods and conveniences will take more than a few years to come to Russia. "Living in Russia meant living in a place where anything could happen," he says. "There is no legal society, economic structure, or political stability."

In Russia, most of the nightlife occurs in the home at the kitchen table, and the two Joes considered their visits to peoples' homes the high point of their stay. In fact, they say that their work at the Institute and the time spent visiting friends taught them to appreciate people more. "When you do not have a market economy, strong personal relationships become very important," said Kostolansky. "People values fill in for goods and services. And, in business, you learn to appreciate the role that human relations plays in getting something done."

Joe Mashkovich expanded on this theme, advising U.S. businesses to recognize the importance of personal relationships in their business dealings in Russia. "The opportunities for business are extensive if you do not go there with blinders on," he says. "But, the downfall of American business in Russia will be attempts to do business strictly on an

'international business' level. This strategy will always fail in Russia where a personal connection needs to be made." •

(Dividend is indebted to Rachel Freeman of the Monroe Street Journal and Susan Benkelman of the Detroit News for their contributions to this article.)



Joe Kostolansky (left) and Joe Mashkovich are pictured teaching a seminar for managers running small but growing businesses. The seminars took place at Zhukovsky City Hall.



A sign at the entrance to TsAGI, where the two Joes consulted all summer to help the Institute commercialize its technology.

Executive Education Expands to Hong Kong

Strategic marketing planning was the topic of a five-day Executive Education program held recently at the Regent Hotel in Hong Kong.

Executive Education has been offering courses in Hong Kong for the Asian market for the past four years.

The strategic marketing planning program was taught by Aneel Karnani, associate professor of corporate strategy and James Taylor, professor of marketing, both of whom traveled to Hong Kong from the Business School to give the course. Forty-three participants from Thailand, Japan, Taiwan, the Philippines and Hong Kong took part in the course, which had as its objectives:

- To analyze markets and industries in order to effectively enter and compete in global markets.

To provide a framework for formulating and evaluating international and domestic market planning strategies.

- To formulate implementation strategies necessary to sustain competitive position and growth.

Participants included marketing managers, planning managers, sales managers, product managers, market researchers, and general managers associated with market planning.

Other seminars conducted by Executive Education in Hong Kong include Corporate Financial Management; the Human Resource Executive Program in Asia; and Finance for the Non-Financial Manager.

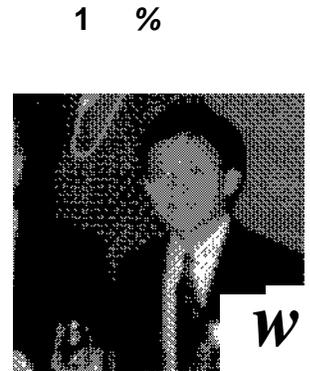
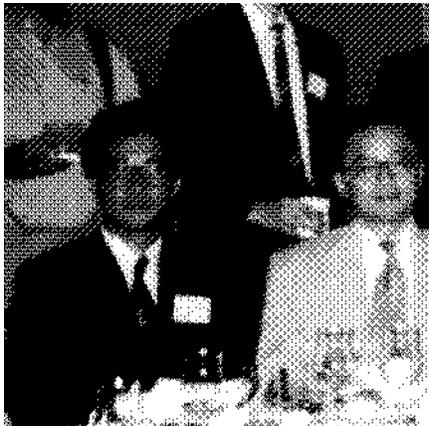
While in Hong Kong, Business School faculty and staff members met with Hong Kong alumni of the Business School for a festive dinner at a local restaurant,

Pictured Below:

Business School alumni in Hong Kong met for dinner with Business School faculty and staff while they were in the city to give a course in Strategic Marketing Planning. Pictured at the restaurant, left to right, front row, are Al Choy, HREP '88, who is with Guangdong Nuclear Power; Dong Van, MBA '79, who is with Van & Associates Ltd.; Frank Wong, MBA '79, of Lucky Bridge Industries, Ltd.; Monica Shaw, MBA '85, of Citicorp International Ltd.; James Taylor, professor of marketing; and Bernie Lau, MBA '85, who is with Bankers Trust Company.

Pictured in the back row, left to right, are Aneel Karnani, associate professor of corporate strategy; Franklin Phoon, MBA '88, of IBM China/ Hong Kong Corp. Alex Au, MBA '88, of South China Advisers; Ronald Yu, MBA '81, of Image Alpha Consultants Ltd.; Manuel Golder, EP '88, of Sandoz Industrial Chemicals; Yiu-Chu Lee, BBA '84, of First Chicago Bank of China; and Ann Walton, director of Executive Education.

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New Software that Allows Parallel Editing Shows How Technology Can Support Group Work

By Deborah Gilbert

Imagine three employees sitting beside each other at three computers, all of them writing and editing the same document at the same time. It may sound like "computers from hell," but U-M researchers have created a software program, dubbed "ShrEdit," and found that the "parallel editing" program results in great work products.

"Groups working with ShrEdit generate substantially higher quality products and do so more efficiently than conventional committees or teams working with paper, pencil and whiteboard," said Gary M. Olson, professor of psychology and director of the Cognitive Science and Machine Intelligence Laboratory (CSMIL) which is headquartered at the Business School.

ShrEdit, which allows several users to create and edit the same document, was tested on groups of MBA students. The ShrEdit software allows users to set up a number of windows to use in the session. People typically use about three: one window shows the document that all users are working on; the second window is for shared notes they all can see; and the third window is for private notes for each user.

In the research, 38 groups of three people each were divided. Half of the groups used ShrEdit at workstations face-to-face in a conference

The ShrEdit groups were more likely to complete the entire task, offer ideas that were fully fleshed out, explain ideas in clear and coherent sentences, and arrive quickly at designs that were practical and marketable.

room; the other half relied on paper, pencils and a whiteboard. Each session was videotaped.

Each group was asked to draft a preliminary report—designing an Automatic Post Office—a collection of postal services in a stand-alone device similar to an automatic teller machine. The report had to include the core services to be offered, such as stamps, express mail, package scales; some of the required equipment; a rough cost-benefit analysis; and a list of questions still to be explored. The groups had one-and-a-half hours to complete the task.

The ShrEdit groups were more likely to complete the entire task, offer ideas that were fully fleshed out, explain ideas in clear and coherent sentences, and arrive quickly at designs that were practical and marketable.

Unexpectedly, the ShrEdit groups discussed fewer alternative possibilities, criteria and basic issues than the conventional groups. "We were very surprised by that finding, because we had always assumed that the

more alternatives considered, the better the meeting and the better the product," Olson said.

"However, since the quality of the final product was higher in the ShrEdit groups, we can only assume that the software provided a subtle vehicle for silent design production and evaluation. The ShrEdit groups had less to say orally about alternatives and issues but perhaps more to say by typing and reading each other's output. The software seemed to blend the separate processes of generating, selecting and reporting ideas. It also seemed to cut the number of digressions and harebrained ideas. The ShrEdit groups stayed focused on the critical issues," Olson added. "The shared influence built into ShrEdit seems to culminate in better final designs because it enhances focus, productivity and quality."

This study is one of a series of CSMIL studies of how technology can support group work. Future projects will include the study of "remote work" where group members use ShrEdit in different offices, holding a "vir-

tual meeting" that includes audio and/or visual technology. This work will be supported by a gift from Ameritech Services, Inc.

The ShrEdit groups worked in a special laboratory at the Business School called the Collaboration Technology Suite. It is a flexible, computer-equipped meeting environment that has extensive facilities for videotaping and recording the activities of groups using the meeting room. The facility was made possible by major gifts from Arthur Andersen & Co. under a \$1 million package that combines funds from Arthur Andersen's technology service organization and U of M alumni support through a corporate matching gift program. Apple Computer provided a gift of equipment to help furnish the suite, and custom modules, designed and donated by Steelcase, Inc., allow researchers to array the computing in highly flexible ways.

Olson's colleagues in the research projects include Judith S. Reitman Olson, professor of computer and information systems at the Business School; U-M computer systems consultant Mark R. Carter; and graduate student Marianne Storrosten. Their report on ShrEdit will appear in the "Proceedings" of the 1992 Conference on Computer Supported Cooperative Work. •

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A variety of ways that alumni and students interact on important projects — from getting a European Alumni Club started to developing mini-internships for students — were discussed at the fall meeting of the Alumni Society Board of Governors.

Also at that meeting Jack McCarthy, retiring chair of the Board, announced that the new chair would be Mary Kay Haben, MBA '75, who will take office at the spring meeting.

Jeanne Wilt, MBA '89, was introduced to the Board as the School's new Director of Alumni Relations. In brief comments, she said her priorities would include — getting city clubs established; improving the alumni data base; and building up reunion activities. Wilt earned her undergraduate degree in chemical engineering at the University of Toledo, and spent five years at the Exxon Research and Engineering Company before coming to the Business School for her MBA. (For more about Jeanne, see page 31.)

The Board also heard reports from Dean B. Joseph White on the state of the School; on the Michigan Joint Manufacturing Initiative; and on the MBA Assistance Corps. They also toured the new facilities of the Davidson Institute.

Here are brief summaries of the reports on alumni-student interactions from second-year MBA students representing the European Alumni Club; the Black Business Students Association; the New York Recruiting Forum; the new Media and Entertainment Club, and the Michigan Business Women's Association.

Henrik Gernow described the new European Alumni Club, which will hold its first meeting June 12 with a reception in Paris. He said the students organizing the club had sent letters to alumni living in Europe and had received about 120 replies. The club plans to set up country



Honored for their years of service to the Business School were retiring members of the Alumni Society Board of Governors Lisa Herrick, BBA '87, and Nicholas Radell, MBA '56.

representatives for potential applicants to contact; to work on getting stories about the Michigan Business School in European papers; to facilitate networking among alumni in Europe; and to support job placement in Europe.

Ken Twiggs then spoke about the Black Business Students Association, which has organized brunches in both Detroit and Chicago for alumni and students to meet together; and also described the highly successful annual conference sponsored by the BBSA. This annual conference is heavily attended by both alumni and students, who gather to hear local and national leaders speak on issues of interest to black business people, and also to attend the annual banquet held

the same weekend.

A third brief presentation was made by John Jacobs who explained the New York Recruiting Forum organized by the Finance Club in cooperation with the Office of Career Development. He described the project as expanding the presence of Michigan on Wall Street. The Forum began with a reception in New York for students, recruiters and alumni, followed by interview opportunities for students the following day. About 100 students attended this Forum.

The new Media and Entertainment Club was then described by Mike Mercier and Charles O'Neill. The new club organized field trips to both New York and Chicago to meet with alumni

in the media and other media representatives and discuss opportunities for MBAs in the field. The trips were very successful. (For more about this, see page 37.)

An innovative mentoring project initiated by the Michigan Business Women's Club was then explained by Patty Ryan. Sixty-five Michigan women business students have been matched with alumna mentors, and a mentors' conference is planned for alumnae and students in the spring.

Ronnie Goldberg was the last speaker in this part of the program. She told the Board about the progress of the new "Day in the Life" mini-internship programs that began at the suggestion of Mary Kay Haben, who set up the first one at Kraft two years ago. Since then it has grown to 16 students and the hope is to expand it further this year.

The spring meeting of the Board of Governors is scheduled for March 26. •



Jack McCarthy, MBA '68 (left) retiring chairman of the Alumni Society Board of Governors, receives the new Charles Ihling Memorial Service Award from Dean B. Joseph White as his wife, Eileen McCarthy, looks on. The award recognizes extraordinary service as a Board member.



William I. Dulison, KS nl ilu-Dulisoii-McOmber Insurance Agency in Ann Arbor, received the Bert F. Wertman Alumni Service Award at Reunion Weekend. He was the driving force behind the project to establish an endowed chair in insurance/risk management at the Business School. The Award recognizes an alumnus or alumna of the Business School for outstanding service to the School.



Members of the family of Charles Ihling, MBA 79, attended the Reunion Weekend this year — the first year of the presentation of the Ihling award in memory of Charles, who died in 1991. Pictured during the Alumni Reunion Reception, the family members (and their relationship to Charles) are (left to right): Edward Ihling, father; Sherri Ihling, sister-in-law; Mary Ann Fialkowski Ihling, widow; Ann Ihling, mother; and Thomas Ihling, brother. Charles was an active and valued founding member of the Alumni Society Board of Governors. The Ihling award was established by the Board to honor him and to recognize a retiring or former member of the Board of Governors for extraordinary service as a Board member. The first Ihling award was presented to Jack McCarthy, MBA '68, retiring chairman.

OURSELVES

Professor Weiss Appointed Associate

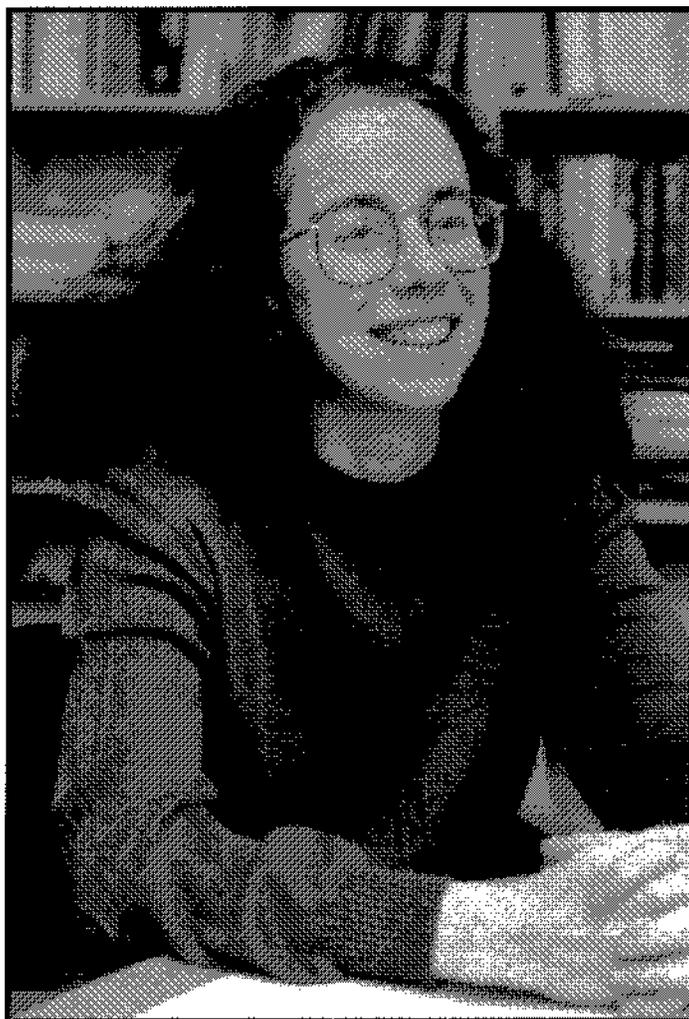
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Janet A. Weiss, professor of organizational behavior and public policy, has been appointed Associate Dean with responsibility for the School's Ph.D. program.

"Doctoral education is fundamental to the excellence of the Business Schools intellectual activities," said Dean B. Joseph White in announcing the appointment.

"Although the program has a relatively small number of students, it is indispensable to the intellectual life of the School. By educating the scholars of the next generation, we influence cutting-edge research and education in business schools around the country and the world. We are fortunate to have Professor Weiss's leadership as we continue to implement this important program."

Professor Weiss received her BA from Yale and her Ph.D. from Harvard University, and joined the Business School faculty and the Institute of Public Policy Studies in 1983. Before join-



Gregory Fox

Professor Janet Weiss is the new Associate Dean for the Ph.D. program.

ing our faculty, she was associate professor at the Yale University School of Organization and Management.

Professor Weiss has served as Associate Director at the U-M Institute for Public Policy Studies, and is also an advisor to the Michigan Business Roundtable, a group of companies working on educational reform and on developing and improving business/government linkages.

Her research interests, on which she has published widely, include the role of ideas in making and implementing public policy; and the uses of knowledge, information, and reporting systems in complex organizations. She is a faculty associate at the Center for Political Studies of the U-M Institute for Social Research. She has also served on numerous University committees, including a committee to review proposals for the University's Presidential Initiative Fund, *m*



Jeanne Wilt, MBA '89, newly appointed Alumni Relations Director.

Jeanne Wilt, MBA '89, Appointed New Alumni Relations Director

Jeanne Wilt, MBA '89, began work in October as the Business Schools new Alumni Relations Director.

Along with Eileen Thomas, MBA '85, assistant director of alumni relations, she is currently working with students and alumni to strengthen the Michigan Business School City Club network, and to further the development of the partnership between Alumni Relations and the Global Blue Network.

Wilt earned her undergraduate degree in chemical engineering at the University of Toledo, and spent five years at the Exxon Research and Engineering Company before coming to the Business School for her MBA.

After graduation, she took a job as senior analyst in the finance department at Union Pacific Railroad in Omaha, Nebraska. During her time in Omaha, Wilt stayed in contact with the Business School through her role as the company's lead recruiter. She also organized local alumni events. While working at Union Pacific, she served in their Quality Audit Group, implementing the principles of total quality management.

"We are very happy to welcome Jeanne Wilt to the Business School," said Ellen Byerlein, director of development and alumni relations, in announcing the appointment. "Her decision to return to campus means that we will have a talented and committed alumna leading our efforts to reach out to our best friends — our alumni." H

ACTATVT DTTCTXTECC STUOHINIA FUK NEW CLUB

A little bit of Chinese culture came to the Business School community on January 21 when the traditional Lion Dance was performed in the portico of the Kresge Library as part of a 30-minute presentation celebrating the Chinese Lunar New Year.

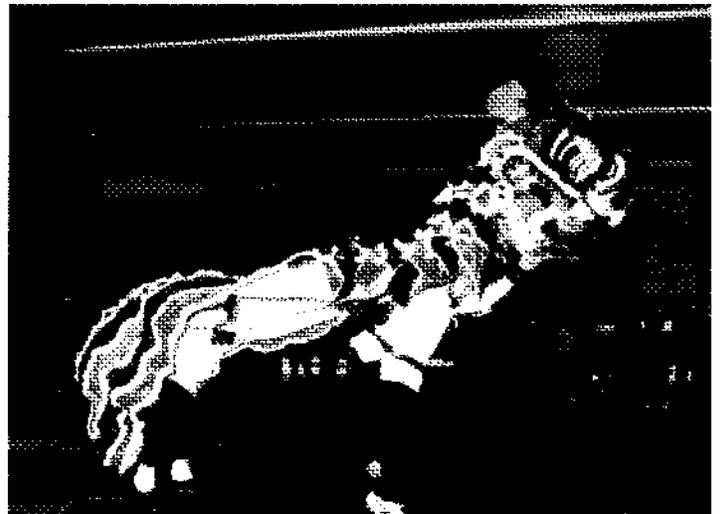
The presentation was sponsored by the newly formed Asian Business Students association, and co-sponsored by the student government and the Asia Group.

The goals of the new club are to develop a cultural awareness of the Asian communities which exist within the Business School, to promote a forum for social networking between members

and other Asian organizations; and to provide a vehicle for all business students to interact and learn about Asian culture through social events and service projects.

More than forty students turned out for the first meeting of the new group. The second meeting, held in January, was followed by a joint happy hour with the Asian Law Students Association.

The organization especially encourages foreign students and non-Asians to join the group and use it as a catalyst for cultural exchange and learning, according to Kaiser Yang, first-year MBA student who is one of the organizers. •



The traditional Lion Dance was performed in the Kresge Portico as part of a celebration of the Chinese New Year. The event was sponsored by the newly organized Asian Business Students Association.

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Marian Krzyzowski (center) beams as he receives a Certificate of Appreciation from the U.S. Department of Commerce for enhancing the global competitiveness of U.S. firms. Sharing Krzyzowski's pleasure in the award are Dean B. Joseph White (left) and Larry Crockett (right) Director of the Business and Industrial Assistance Division (BIAD) of which the Great Lakes Trade Adjustment Center is a part. Krzyzowski is now associate director of BIAD and director of the Michigan Business Assistance Corps.

A Vote of Thanks to Marian Krzyzowski as Well as to TAAC

A certificate of appreciation from the U.S. Department of Commerce was recently presented to Marian Krzyzowski for his work as Director of the Great Lakes Trade Adjustment Assistance Center (TAAC).

In a related development, TAAC has won national recognition for its help in enabling a Michigan producer of screw machine parts for the automotive industry overcome foreign competition and return to profitability. The winning project was in the business assistance category of a national competition sponsored by the National Association of Management and Technical Assistance Centers (NAMTAC). This marks the third time the U-M has received an award in the competition, which began in 1983.

The Great Lakes Trade Adjustment Assistance Center (TAAC) is the largest unit within the Business and Industrial Assistance Division (BIAD) of the Business School. TAAC 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.

Since TAAC helped its client, H&W Screw Products, analyze its problems and develop an adjustment plan, the company has diversified its production, obtained the Quality for Excellence award from Chrysler, increased its sales by 164 percent over an 18-month period and increased employment from 20 to 35. In addition, the Centers cost and profitability analyses of the company's product sales resulted in the elimination of a loss of \$120,000 on a specific part.

Other divisions within BIAD include the EDA University Center for Economic Diversification, the Minority Business Services, the Office for Research on Industrial Facilities, and the Flint-Genesee Recovery Project.

The certificate of appreciation cited Krzyzowski for "outstanding accomplishment in enhancing the global competitiveness of U.S. manufacturing

firms as Director of the Great Lakes Trade Adjustment Assistance Center and in recognition of your utilization of that experience in your pioneering efforts to strengthen the emerging market economies in Eastern Europe."

Krzyzowski has now 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. Besides being fluent in Polish, Krzyzowski has an extensive network of personal contacts inside Poland, Russia and Czechoslovakia. He has been with BIAD since its founding ten years ago.

Replacing Krzyzowski as director of TAAC is Margaret Creger, MBA '83, who had been a project manager at TAAC before becoming its director. A key element in the success of TAAC's assistance programs has been the participation of Michigan MBA students, who provide client firms with expert analyses of industry trends and competition, *m*

DAVIDSON INSTITUTE TO LAUNCH INTERNSHIPS

In May, the Davidson Institute will send teams of MBAs and masters-level students in Area Studies to firms in China, the Czech Republic, Hungary Poland and Russia.

The educational mission of the Institute, established with a \$30 million private giving commitment, is to help nations around the world make successful transitions from command to market-oriented economies and to assist companies that wish to operate effectively in these transitional economies.

The teams will be assigned to assess, from a cross functional perspective, aspects of the firm's business operations and the public policy problems the enterprises face.

In late July managers from these enterprises will come to Ann Arbor, where they will begin an intensive educational program that will include training in key business functions, executive skills development, and analysis of major business issues in transitional economies.

The newly appointed Faculty Director of the Instructional Program at the Davidson Institute is M. E. Narayanan, associate professor of finance and winner of the 1991-92 Teaching Excellence Award at the Business School. Professor Narayanan is known for his ability to make difficult topics understandable, for presenting well-designed courses with a clear focus, and for skillful mingling of theory and application.

The Institute has begun a research agenda to support its educational goals. The faculty committee charged with this responsibility is chaired by Scott Masten, associate professor of business economics and public policy.

Commenting on the new programs, Professor Edward Snyder, interim director of the Davidson Institute, said, "Our programs will integrate the efforts of faculty, MBA students, experts in the language and culture of these countries, and Western firms that are committed to participating in the transition process. We are dedicated to doing our homework, and are committed to developing a deep understanding of the business and public policy problems that confront transitional economies."

The programs of the Davidson Institute reflect an awareness that countries making the transition from command to market-oriented economies face a difficult task that will require decades of work. The Institute is developing intensive and long-term partnerships with significant enterprises in transitional economies with the goal of improving the capabilities of their managers. •

Shirley Chisholm Speaks on MLK Day

Diversity" that she delivered to a full house in Hale auditorium on Martin Luther King day.

Chisholm's career in politics started in the early 1950s at the lowest rung on the political ladder, in Brooklyn's boss-run Democratic clubhouses. Persistently challenging the iniquities of the machine, she came to be regarded as a trouble-making maverick — but one to be reckoned with. Her rise from local clubhouse worker to New York State Assembly woman in Albany to Representative in the U.S. Congress was accomplished by the will of a dynamic, fighting woman with an unswerving belief in her own purpose: to put the needs of her people before political expediency.

In 1968, she became the first black woman to be elected to the Congress of the United States. She won this unique designation the hard way — against the

odds of her race and sex, and against all the ground rules of the political game.

In 1972, Congresswoman Shirley Chisholm made history by seriously campaigning for the Democratic Party nomination for President; the first black woman to seek the nation's highest office.

She is the author of two books: "Unbought and Unbossed," her autobiography, and "The Good Fight," the story of her 1972 bid for the Presidency. She is founder and president of the National Political Congress of Black Women.

She holds a BA degree (cum laude) from Brooklyn College, and received the MA degree and a professional diploma in educational supervision from Columbia University. She has been awarded the honorary doctorate by 31 institutions, and is fluent in both Spanish and English. •



The Hon. Shirley Chisholm gave an inspiring talk on Martin Luther King day.

You are all familiar with the sounds of gunfire — in South Africa, the former Yugoslavia, the Middle East. These sounds should be a reminder of the price we pay for intolerance." Thus, Shirley Chisholm finished her talk, entitled "Unity through

ell and Hall Ciive UOUDJ

"Strategy and Implementation in the '90s" was the topic of two closely linked Dean's seminars held in October at the Business School.

In the first session, on October 21, Sam Zell, entrepreneur and risk-taking visionary, spoke about "Placing Bets." He discussed entrepreneurship, starting and building a business, and assessing risk.

Then, a week later, Bill Hall, former business school faculty member and now president and CEO of Eagle Industries, discussed "Making Bets Pay Off — Managing for Operating Effectiveness and Total Quality." Eagle Industries consists of 25 operating companies, and the majority ownership is held by Sam Zell and his partners.

Zell's business empire is considered one of the largest privately-held portfolios in the country. He now chairs Equity Financial and Management Company, the entrepreneurial real estate investment firm he founded in Chicago; and Great American Management and Investments, Inc., also in Chicago.

Zell has supported several innovative programs at the Business School, including the Michigan Business Assistance Corps in Poland and the Bernard Zell/Leonard W Lurie Prize Competition in the Teaching of Entrepreneurship. He is known for delivering dynamic, insightful, and provocative speeches, and his talks at the

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Sam Zell, entrepreneur and risk-taking visionary, makes an emphatic point during the Dean's seminar on strategy and implementation in the '90s. His talk was entitled "Placing Bets."



Bill Hall, former Business School faculty member and now president and CEO of Eagle Industries, talks to students after his thought-provoking talk on "Making Bets Pay Off."

Business School, of which he has given several, are always very well attended.

Here are some quotes from Zell's talk at the Dean's seminar.

"In the '80s, people were numerically focused and unable to think through "global" issues. The single issue motivating them was money and advancement rather than achievement. They were not driven by how to do it, make it, manage it better, but rather by how much money they could make. My partner and I found this disappointing and also exhilarating because these were the people we were going to compete with!"

"Our focus is long-term — you can't make significant capital unless your focus is long-term. You need to see yourself as the person who will be there at the end."

"Change is what keeps you alive. It is the most significant ingredient of success. We have an open attitude to change. I think the U.S. is going to do well in the next ten years, but it's going to be a different kind of world. We are going to have to adjust to slow and modest growth and low inflation. In the long run, this is very beneficial for our economy, but we have to overcome the natural tendency to replay the old tapes instead of looking at today and trying to guess what tomorrow will be."

When Bill Hall spoke one week after Sam Zell's talk, he focused on the implementa-

Photos by Gregory Fox

tion and strategy that drives Eagle Industries, Inc., a \$1.2 billion diversified manufacturing company which is parent to 25 "free-standing" smaller companies employing 12,000 people. He summarized it as an "entrepreneurial growth company divided into four business groups — building products, electronic products, industrial products, and specialty products."

The first step in Eagles strategy, said Hall, is to find underachieving manufacturing companies — those that have good underlying fundamentals but are not doing anything with those fundamentals. Once the com-

panies have been bought by Eagle, the second stage begins.

The second and most intensive part of the strategy is the multi-faceted "treatment program," the first step of which is to devise a five-year strategic plan. "You would be amazed," said Hall, "at how many companies do not have strategic plans. We really plan like mad. We try to know more about our competitors than they know about themselves."

The next step in the "treatment program" is the creation of a one-year operating plan, which includes a move toward total quality management; implementing

statistical process control and searching through causal factors to reduce waste.

The last part of the program is what Hall calls the "fun stage," which includes product line extension, geographical extension, global expansion, and add-on acquisitions.

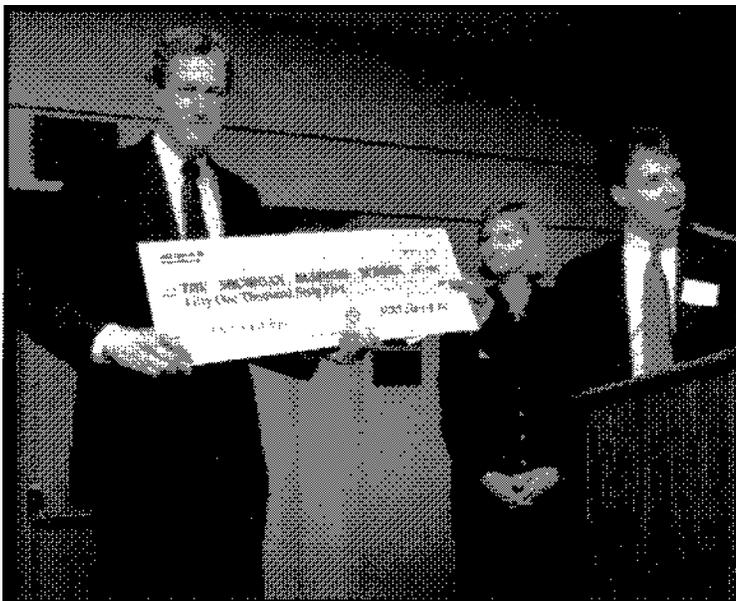
Hall made it clear that the operating presidents of the 25 companies are treated like they are the CEOs. Eagle Industries' success is due, in large part, to its laissez-faire style of management, says Hall. We avoid corporate bureaucracy; make sure we have strong leadership at operating companies, and have a highly incentivized

management, he explained. He stressed that the presidents are rewarded for adding long-term profitability even if it sacrifices some short-term profits. "Legitimate business mistakes are for given. Continued business surprises are not."

The two Dean's seminars gave students an informative and insightful view of entrepreneurship and strategy from the point of view of two special and highly successful players.

(Dividend is indebted to BBA student Steve Mitzel and the *Monroe Street Journal* for assistance with this article.) •

Reunion Tradition Continues to Grow



Gregory Fox

Dean White receives the 10th Reunion Gift of \$51,065 from Charles Rothstein and Drucilla Richards representing the MBA Class of 1982. The funds will be used for scholarships.

During alumni weekend this year, the class of 1982 held a successful ten-year reunion; alumni visitors attended an all-alumni reception in the Executive Residence Lobby preceding the Reunion Dinner, Friday evening, October 23; and the classes of '82, '87 and '91 enjoyed class parties after the Minnesota game.

On Saturday morning, the Michigan room was filled with alumni who wanted to participate in the seminar "Small Wins in Organizational Life," an in-depth discussion of how individual actions can have large effects within organizations. The seminar was given by Karl Weick, the Rensis Likert Collegiate Professor of Organizational Behavior and Psychology (For an article about Professor Weick and Small Wins, see page 2.)

At the alumni dinner, Dean B. Joseph White was presented with a check for \$51,065 — the reunion gift of the MBA class of '82. The presentation was made by class members Charles Rothstein and Drucilla Richards, and will go to fund scholarships.

Next year's reunion weekend, scheduled for Nov. 5 and 6, will include special reunion events for the class of '68 as well as '83. Mark your calendars. •

f OURSELVES REAL ESTATE FORUM



John A. Somers



Richard M. Scroggins

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Robert Halso



William J. Ferguson



James Leslie

Photos by Gregory Fo

Four dynamic speakers addressed emerging trends in real estate at the Sixth Annual Real Estate Forum held in November at the Business School,

Speakers included:

- **John A. Somers**, senior vice president of Teachers Insurance and Annuity Association (TIAA). He manages TIAA's mortgage and real estate operations whose portfolio is valued at \$26 billion. TIAA committed \$41.2 billion to new loans and acquisitions in 1991.

- **Richard M. Scroggins**, BBA '55, senior vice president, corporate real estate & general services of American Express Company. He heads the corporate headquarters' real estate activities and coordinates real estate matters for the Company worldwide. He is also responsible for general services activities and is the Environmental Protection Officer of the company.

- **Robert Halso**, president of Pulte Homes of Michigan Corporation. Pulte Homes operates in 14 states and is one of the country's largest home builders with reserves in excess of \$800 million.

- **William J. Ferguson**, chairman of Ferguson Partners Ltd. which advises commercial and residential real estate companies on strategic, human resource, and corporate finance issues and assists them in strategy implementation. His firm advises a wide range of national, institutional clients, including insurance companies, pension fund advisors, developers, mortgage banks, asset managers, commercial and investment banks, pension funds, and corporations.

- The panel was moderated by **James Leslie**, MBA '79, executive vice president of the Staubach Company, a national real estate services company which specializes in assisting clients in the evaluation and acquisition of real estate. During 1991, the company advised on transactions of approximately \$750 million.

After the panel, which took place on Saturday morning, November 14, participants and guests enjoyed a tailgate barbecue in the Business School Courtyard before attending the U-M vs. Illinois football game.

The Real Estate Forum began on Friday, November 13. The morning session included a discussion of careers in real estate, and a "behind the scenes" bus tour of Ann Arbor's real estate market, guided by Peter T. Allen of Peter Allen & Associates, Inc. Allen is adjunct lecturer of real estate at the Business School.

Following a buffet lunch, participants heard Dennis R. Capozza, professor of finance and the Stephen Ross Professor of Real Estate Finance at the Business School, discuss real estate risk assessment.

His talk was followed by a panel discussion during which leaders from major real estate firms presented their insights on real estate in the '90s and beyond. Speakers included Donald L. Dayne, director of site acquisitions for Kmart Corporation; George Fox, director, Argonaut Realty/General Motors Corporation; Michael Horowitz, president of Selective Group residential developers, and Creighton J. Weber, executive vice president of Westpoint Financial Corp., commercial mortgage brokers. The panel was moderated by David L. Steuer, principal of Steuer & Canvasser, Inc., asset managers.

Following the panel, participants could choose to go to any of six break-out sessions, which included workshops on housing, workouts, brokerage perspective, real estate economics, institutional investing, architecture, and media viewpoints.

Next year's Real Estate Forum is scheduled for November 5th and 6th, and the tentative theme is "The Movement Back to Downtown." •

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B-School Now Has a New Link to the Media

By Charles O'Neill, MBA '93

"I shook hands with Dan Rather," said a beaming Mike Mercier, second-year MBA student who is president and founder of the new Media and Entertainment Student Club. At the time, he was standing outside the Waldorf-Astoria Hotel in New York City right after a lunch where the Club had been guests of the International Radio and Television Society where both Dan Rather and Peter Jennings were featured speakers.

Mike and a group of 14 other MBA students along with Ann LaCivita, from the Office of Career Development, were in the midst of what turned out to be a fascinating series of meetings with a wide range of executives from all areas of the media business. The New York trip offered an opportunity to expand the Michigan Business School's presence in an industry out of our traditional recruiting loop.

For their visit to Time, Inc., the students were ushered into a beautiful board room in the Time-Life building where they met with four recent MBA graduates and three recruiting executives from Time, Inc. In a roundtable discussion format, the group learned about the challenges faced by Time's various publications; the career track for MBAs; the outlook for the future of the

industry; and how MBAs can make an impact on that future.

The group then visited the office of The New Yorker magazine, where Michigan alum Arne Gittleman, BBA '48, MBA '49, welcomed everyone in a conference room that had been decorated with a maize and blue banner and various U-M paraphernalia. Gittleman is the automotive sales representative for The New Yorker, and has been with the magazine for 30 years.

During the meeting, the students heard Steve Florio, president of The New Yorker, discuss the changes he had overseen upon taking the reins of the organization seven years ago. His was the challenge of changing a "grand institution" in order to keep it competitive as a business. "It was just like walking in on a case study," said Florio, who is an MBA graduate of New York University.

Florio chronicled for the group of Michigan MBAs his battle to bring two completely separate entities, the business and the editorial sides of the magazine, into line as a focused and streamlined group. During his tenure, he had the self-described unpleasant task of supervising a reduction in staff from 550 employees to 230 employees. "Business is about constant change," he said. "You have

to be ready to re-think your business. Our challenge is re-thinking The New Yorker from month to month."

The meeting concluded with comments from Lynn Heiler, publisher, and Matt Roberts, vice president of direct marketing.

The group then traveled to the luncheon at the Waldorf where speakers Dan Rather and Peter Jennings commented on the political campaign and addressed such issues as the debate formats; pressures on journalists from the politicians and the public; and the importance of polls.

The last meeting of the day was spent with a range of executives at The New York Times discussing the future of the newspaper industry.

On the following day, the group met at NBC with Michigan alum Ed Kurpis, MBA '84, vice president, finance and administration with NBC Cable. The roundtable discussion ranged from the future of network television, to cable, to high definition television and opportunities for MBAs at NBC.

The next meeting took place at The Wall Street Journal, where the group was greeted by Michigan alum Peter Kurey, MBA '90, and the staff of the Journal's international marketing group. The discussion cen-

tered around the challenges faced by Dow Jones, the parent company, and opportunities for MBAs in the publishing business.

The last meeting of the trip was held at Business Week magazine, where the group met with Mark Morrison, incoming managing editor, and Peter Callahan, director of financial services advertising. The discussion centered around the separation of sales and editorial at the magazine, and how these two disciplines are kept separate. Morrison also commented on Business Week's bi-annual ranking of business schools and emphasized that the rankings were part of the magazine's mission of providing pertinent information to the business community about issues that play an important part in competitive decision making.

The trip proved to be an important opportunity for the Michigan Business School to begin a valuable relationship with a dynamic and creative industry. Other club goals include bringing media speakers to campus and developing job search efforts within a variety of media categories, such as sports, film, cable, and music. •

Class Notes

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Jack Caminker, BBA '46, writes that he just returned from three months in the Middle East (Egypt and Israel) as a business consultant for the International Executive Service Corps. He is a specialist in real estate and asset management, and his assignment was to work with Aboul Fotouh Establishment, a large Egyptian corporation specializing in real estate development and construction. His work involved planning, developing, building and marketing a 200 room/unit hotel and time-share complex in Hurghada, Egypt, which is located 500 KM (300 miles) southeast of Cairo, on the west bank of the Red Sea. Construction has begun, sales are coming in weekly, and the project is well on its way.

• 51

Paul S. Brentlinger, MBA '51, has been elected chairman of the Trustees of the Cleveland Institute of Art, a private, independent, fully accredited college of fine arts and applied design. Brentlinger, who recently completed a term as a member of the Business School's William A. Paton Fund Advisory Board, also serves on the boards of Ferro Corporation and Allegheny Ludlum. "The Institute has achieved an impressive record of visual arts education during its 110 years," said Brentlinger. "It is a privilege to have this opportunity to help advance one of the leading art colleges in this country. I am committed to build on the fine traditions of the Cleveland Institute of Art as the Trustees help strengthen the financial support for this important educational institution." Brentlinger is a general partner at Morgenthaler Ventures.

^J 53

James C. Holmes, MBA '53, writes that he hosted a small dinner party in October during which he presented Roger Smith, MBA '53, with the Phi Delta Theta Free Enterprise Award. He and Smith, former Chairman of General Motors, were classmates at the Business School. The presentation to Smith was originally scheduled to take place at the Phi Delta Theta 1992 National Convention in Arlington, Virginia, but Smith was unable to attend because his plane had mechanical problems. Holmes is chairman of Holmes & Layton Inc. in Birmingham, Mich.

Lewis Steven Elieff, BBA '53, MBA '54, writes that he has been nominated for inclusion in the Who's Who Registry of Global Business Leaders. He is general partner in the brokerage firm of Roney & Co. in Flint, Michigan.

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John D. Gould, MBA '57, retired as a partner from Ernst & Young in 1987 after 30 years of service, during which he spent 15 years in Europe (London, Paris and Brussels) where he was partner in charge of accounting and auditing services for Ernst & Young's operations in continental Europe and North and West Africa. After retirement, he was appointed a professor in the accounting department of Saint Bonaventure University's School of Business. He moved to North Carolina in 1990, and was appointed Distinguished Visiting Professor in Western Carolina University's Forsyth School of Business. In 1992, he received the Jay Kneedler award for Professor of Excellence, the Forsyth School's only

award for teaching, community service and relations with students. He lives in Collowhee, North Carolina.

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M. B. "Bud" Osmun, BBA '58, MBA '59, writes that after retiring from Allied-Signal, Inc., he has become an independent consultant to the aerospace industry in Government contract compliance, contracts and pricing. He started his career with Bendix Aerospace Systems and spent 17 years there, becoming Director of Operations. Following director-level assignments at Bendix plants in Indiana, he was promoted to vice president of contracts and product support for Bendix Aircraft Systems Co, headquartered in Roslyn, Va. With Allied acquisition of Bendix (then Signal), he became general manager of Allied-Signal Inc. operations in Chula Vista, Calif. He then became director of contract policy and compliance for Allied-Signal Aerospace Co., a position he held until early retirement. He and his wife, Judy ('59 BSN) currently live in North Palm Beach, Fla. and are building a home in Hot Springs Village, Ark.

^J 61

Jonathan E Haber, BBA '61, has been appointed senior vice president and chief financial officer of SelectCare, Inc., where he is responsible for the overall administration of financial services and financial planning. Before joining SelectCare, Haber was a senior partner at Ernst & Young. He is a CPA. SelectCare is the third-largest managed health care company in the Southeastern Michigan market, offering HMO and PPO coverage to more than a quarter-million members.

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Michael Losey, MBA '62,
Elected Secretary-General of WFPMA Personnel Group, Michael G. Losey, president and CEO of the Society for Human Resource Management, has been elected secretary-general of the World Federation of Personnel Management Associates, which includes human resource professional organizations from 55 countries.

The Society for Human Resource Management is headquartered in Alexandria, Virginia, and has a membership of 53,000 human resource professionals and students who share an interest in advancing the profession. In addition to the WFPMA and SHRM boards of directors, Losey also serves on the boards of the Human Resource Certification Institute, the International Institute for Human Resources, and the SHRM Foundation.

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Dr. Thomas J. Hindelang, MBA '66,
has been honored with the Harold M. Myers Trustee Award for Outstanding Sende to Drexel University in Philadelphia, where he is currently department head and professor of finance. During his 20 years at the university, he has served as assistant dean of the graduate school, assistant dean of the College of Business, head of the finance department, and director of academic initiatives in the Office of the Provost. He has also helped draft a charter of faculty governance, served a two-year term as the first chair of Drexels Faculty Senate, and served on numerous university committees, including the Budget Priorities Committee and the Board of Trustees' Finance Committee.

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Douglas H. Tayler, MBA '67,
is now director of marketing for the Ganix Group, a regional provider of computer operations management services to manufacturing, utilities, retail and financial services industries among others. He is responsible for developing new markets, for alliances with other computer services firms and corporate strategic planning. Before joining the Ganix Group, he spent six years in California with a computer software start-up company and as vice president of research for a computer industry market research and consulting company. He now lives in Bloomfield Hills, Mich.

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Jeff J. Beal, BBA '69,
has just been licensed by the State of New York as a certified general real estate appraiser. He lives in Roslyn Heights, New York, and is doing commercial property appraisals.

W David lull, BBA 70,
has been promoted to executive vice president of Michigan National Corporation, a diversified financial service corporation with total assets of \$10.7 billion. He also serves as treasurer of Michigan National and executive vice president and treasurer of Michigan National Bank, the principal subsidiary

of Michigan National Corporation. Since joining Michigan National in 1971, Tull has held a variety of positions, including commercial loan credit manager and special loan group manager responsible for staffing and establishing lending procedures. He also served as commercial lending division manager with ultimate responsibility for all lending at Michigan National Bank Southeast Region. In 1986, he was named senior vice president and treasurer of Michigan National Corp and Michigan National Bank, and in 1990, he was promoted to executive vice president of Michigan National Bank and assumed responsibility for the investment banking division.

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Edmund P. Cole, MBA72,
has joined the professional staff of Heber Fuger Wendin, Inc. in Birmingham, Mich, as an investment advisor, managing investment portfolios of commercial banks, pension funds, corporations and individuals. He joins Heber Fuger Wendin from the Ohio Company, a regional investment banking firm headquartered in Columbus, Ohio. After graduation with an MBA in finance from the Business School, Cole did investment research at National Bank of Detroit as a second vice president, then became vice president and director of investment service at Manley, Bennett, McDonald & Co. before going to the Ohio Company as an institutional sales executive. He and his wife life in Grosse Pointe, Michigan.

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Michael RJulien, BBA 73,
a partner with Arthur Andersen & Co. in Grand Rapids, has been elected mayor of Cascade Township, Michigan.

CfcyNOTES

Robert D. McTaggart, BBA '75, recently joined the Dallas law firm of Leithiser, Palmer & Allen as a director. He is board certified in commercial real estate law.

Commander Christopher D. Knaggs, USN, BBA '75, has been director of nuclear material for the Defense Nuclear Agency, where he is heavily involved in the planning and execution of nuclear force reductions associated with both the INF and START Treaties. His primary emphasis is in the destruction and proper disposal of over 30,000 different types of nuclear weapon components, and he has also overseen the largest computer modernization in the history of the nuclear community. Chris holds an MS degree from the Naval Postgraduate School in Monterey, Calif, as well as MA degrees from both the Naval War College and Salve Regina College in Newport, Rhode Island. As a submariner, he is looking forward to his new orders which will take him to Mechanicsburg, Pa. to head up the Trident Submarine Computer Systems Division.

Larry L. Helmke, MAS., '78, has been elected a vice president of Towers Perrin, the international management consulting firm. He joined Towers Perrin in 1984 as an actuary and specialist in employee benefits. He is based in the firm's Dallas office. Towers Perrin has 5,000 employees and offices in 65 cities worldwide.

Judith D. Spector, MBA '79, is living in Vienna, Austria, where she is a strategic planning consultant advising on expansion into Eastern Europe, and for European firms into the U.S. She is investigating Eastern European markets, infrastructure and human resource

issues, and, in conjunction with an Austrian consulting firm, developing services to improve the success rate of joint venture negotiations.

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Diane Brown Lee, MBA '80, writes to bring us up to date. After graduation with her MBA, she worked for Genex Corporation in the field of biotechnology for five years, then spent a year working for the United Nations Development Organization in Vienna, Austria, doing biotechnology development for developing countries. She then went to work for Schering Plough Pharmaceuticals in New Jersey as a marketing manager for their prescription antihistamine products. In 1988, she married Andrew D. Lee, an MBA graduate of Indiana University, and they began a search for a small business that they could own and operate together. She writes, "After tracking down many different types of companies — everything from elevator repair to rabbit hatcheries — we settled on printing companies. Given my background in marketing and sales and dealing with advertising agencies and my husband's background in personnel and administration, we thought that printing made sense." They are now^T the owners of the Robert J. Young Printing company in Nashville, Tenn. The company is a general commercial printer, and has 23 employees. Diane and her husband are also parents of a daughter, Allison, born Feb. 29, 1992.

Douglas B. Kelly, MBA '81, writes that since June of 1991 he has been chief financial officer of Capitol American, a Cleveland-based health insurance company. Before that, he was vice president of operations and director of marketing at the company. He and his wife have two sons, and he writes that he is also on the executive board of the Greater Cleveland Council of Boy Scouts of America.

Eric W. Leininger, MBA '81, recently accepted the position of director of marketing information for the Grocery Products Division of Kraft General Foods in Glenview, Ill.

Robert Kleiman, MBA '81, is associate professor of finance at Oakland University. He has been appointed by Mayor Wallace Holland of Pontiac to the Blue Ribbon Committee for the Economic Recovery of the City of Pontiac. The group, composed of civic and business leaders, will develop a strategic plan for the revitalization of this Michigan community.

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A special thanks goes to the Class of '82 for their reunion gift of \$51,065 which will be used for scholarships. The class had a good time at their 10th reunion, and *Dividend* was able to get pictures of some of them which we bring you on these pages.

James J. McElroy, BBA '76, MBA '82, has joined Moen Incorporated in Elyria, Ohio as director of marketing for Moeris faucet and sink business. He will direct the product planning and development activities for these product lines. He formerly worked for Brass-Craft Manufacturing Company a subsidiary of Masco Corporation, where he spent nine years in marketing and sales management.

Paula Janiak, BBA '74, MBA '82, has been promoted to vice president and general manager of Olga's Kitchen in Troy, Mich. He began working for Olga's Kitchen in 1977 as an assistant manager. He and his wife, Linda Loving, who received a BS from U-M in 1974, live in Bloomfield Hills and have two children. She works for Lederle Laboratories, and her territory includes the University Hospital, so they keep up their U-M connection. They are also Victors Club members, and enthusiastic U-M boosters.



Reunion Weekend — Members of the MBA class of 1982 attending their 10th reunion included (left to right) Julian Kaufmann, Charlie Rothstein, BBA '80, MBA '82; Bernie Lucas, Nancy Kimble Jacobs, BBA '80, MBA '82; and Brian Doerner.



Photos by Gregory Fox

Reunion Weekend — Members of the MBA class of 1982 at the 10th reunion are (left to right) Phil Waldrop, Mark Lewry, Nancy O'Keefe, Joe O'Keefe and Walter Hubbard.

Heidi Whitfield, BBA '82, has been named a general partner in the Jones Financial Cos., the holding company for the financial services firm of Edward D. Jones & Co. She is one of nine associates selected from more than 7,000 associates across the nation to join the St. Louis-based firm's 91 general partners. She began her career with Jones in the research department and in 1984 moved to the quality review department. In 1986, she earned her designation as a certified financial analyst and was named a limited partner in the firm. As a general partner, Whitfield will assume responsibility for the quality review department.

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Robert S. Bick, BBA '83, has become a partner in the law firm of Williams, Schaefer, Ruby & Williams, P.C., where he practices in the areas of corporate and securities law. He serves as a member of the Board of Arbitrators for the AAA, NASD and NFA and has written several articles on corporate law which have been published in the Michigan Bar Journal. He received his JD degree from the U-M in 1986. He and his wife, Julie, live in Franklin, Mich.

Deborah Dohring Saybold, MSME '80, MBA '83, has been appointed program manager of Ford Motor Company's European Escort and Orion vehicle lines. She was transferred to London after handling similar responsibilities for Ford's light truck vehicle lines. She is responsible for product planning and multi-divisional implementation of various product programs and business strategies.

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William Saffron, MBA '83, writes that he has returned to New York city after a busy four-month assignment in the London office of Aristics, the analytical consulting division of Alexander & Alexander Services, Inc. A particular interest of his for the coming year is advising insurance companies about their risk retention strategies.

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B. Vern Hall, BBA '84, second vice president of NBD, has been assigned to the Ann Arbor region of the bank. He was previously assigned to the Dearborn region.

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Marsha (Sobieray) and Harry Heinkele, both MBAs '85, write that they are living near Dallas, Texas, where he has joined AT & T Bell Laboratories, Power Systems Division, as strategic marketing manager. Marsha works for Bank of America, and transferred from the San Diego Regional Commercial Banking Office to Bank of America, Texas to help start up its business lending sendees unit in Las Colinas, Texas. The Heinkeles had their second child, a daughter, on May 12, 1992.

Jennifer Emily (Nolte) Stevens, MBA '85, writes that 1992 was a big year for her. She was promoted to head up the Competitive Strategy group at Pacific Bell Director, RBOC publisher of yellow pages in California and Nevada. In September, she married Mark Stevens, an assistant vice president at McMorgan & Co. in San Francisco. The wedding, which was held in Bloomfield Hills, was attended by members of the class of '85, Laird Stiefvater, Michaelbarry Fink and Mark Zolna. She and her husband live in Marin County and work in downtown San Francisco.

Heidi Mallory Rauh, BBA '86, writes that she spent two years as an employee benefits consultant with Hewitt Associates of Lincolnshire, Illinois; then attended Northwestern University School of Law, from which she graduated cum laude in May, 1991. She is now working at Sidley & Austin in Chicago where her practice includes corporate, securities and regulatory work involving commodities law. In November, 1991 she married David Rauh, a construction manager in charge of fiber-optics systems for AEI Music Network Inc.

Michael J. Perullo, BBA '86, has been with Crawford & Company's Catastrophe Sendees Division for two years. The company, which is headquartered in Atlanta, provides world-wide claims processing and litigation support services to large clients who have suffered a man-made or natural disaster. Michael is currently assigned to an agricultural product liability team, and has developed complex business interruption loss models for use in defense and settlement of product liability claims and lawsuits. He says he relies on training he received at the Business School when creating original forensic accounting evaluation techniques and computer-based economic loss models.

Eric Clarke Haviland, BBA '83, MBA '86, has been promoted to director of marketing, product and concept development for Pizza Hut, USA Inc. In that position, he has assumed responsibility for overall marketing functions, in addition to the development, testing and introduction of new products, and strategic development of new restaurant concepts. He and his wife and son live in Wichita, Kansas.

Michael J. Halpern, MBA '86, was married Sept. 19 in Ann Arbor, and was promoted in January, 1993 from senior financial consultant to assistant vice president at Merrill Lynch in Ann Arbor.

W Michael Zinn, MBA '87, is now second vice president at NBD Bank's commercial loan department. He had formerly held the position of assistant vice president.

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Bruce A. Falbaum, MBA '88, was recently named vice president of Prudential Private Placement Investors, a newly formed unit of Prudential Insurance Company that manages institutional assets through investments in private placements. He is the portfolio manager for a \$1 billion fund of investment grade private placements. Before his current position, he was responsible for originating private placement investments for Prudential's general account and managed a portfolio of 15 leveraged buyout investments. He received his chartered financial analyst designation in 1992.

Monisha Nabar, MBA '88, has become a certified management accountant after successfully completing a comprehensive examination on accounting and related subjects and satisfied the required two years of management accounting experience. She is a senior financial analyst at Bausch & Lomb in Rochester, N.Y.

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Millicent A. Lawson, BBA '89, has been promoted to assistant vice president from loan officer at NBD Bank's Ann Arbor region commercial loan department.

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Lynn Hemmi, BBA and MAcc '90, has been promoted to marketing financial manager at Chesebrough Pond's USA in Greenwich, Ct. The brands she is managing are Pond's creams and moisturizers and Vaseline Intensive Care Lotion.

William J. Maxbauer, MBA '90, has been promoted to loan officer at NBD's Commercial Loan Department in Ann Arbor, where he was formerly assistant loan officer. He was previously employed as a CPA for Price Waterhouse.

Ron and Mary Wernette, both MBAs '90, write to tell us that Mary has been named national advertising manager for Saturn Corporation in Troy, Mich. They also just had their second son, Nathaniel Caro, born February 3.

Martin J. Sedwick, MBA '91, has been named principal-corporate finance at the Timken Company in Canton, Ohio, a leading international manufacturer of highly engineered bearings and alloy steels. He joined the company in 1991 as a senior financial markets analyst.

Paula J. Davis, MBA '91, has been chosen to head the marketing program for the National Benevolent Association of the Christian Church (Disciples of Christ) in St. Louis, Missouri. She assumed the newly created position in early December after working with the successful Carol Moseley Braun Campaign for senator from Illinois. She will be working to develop a marketing plan aimed at creating greater public awareness of NBA and the many care services it provides. NBA owns or is affiliated with 78 care facilities and programs located in 26 states.

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Anne Perigo Wolf, BBA '91, has been promoted to assistant loan officer from loan representative at NBD's Commercial Loan Department.

Ph.D. Notes

David J. Urban, Ph.D. '85, a marketing professor at Virginia Commonwealth University, has won a 1992 Distinguished Teaching Award from the Direct Marketing Educational Foundation. The award recognizes his design and development of "Marketing in the Changing World," a required course for marketing majors in the VCU School of Business. Urban joined the marketing faculty at VCU in 1989.

Equal Opportunity / Affirmative Action. The University of Michigan, as an Equal Opportunity / Affirmative Action employer, complies with applicable federal and state laws prohibiting discrimination, including Title IX of the Education Amendments of 1972 and Section 504 of the Rehabilitation Act of 1973. It is the policy of the University of Michigan that no person, on the basis of race, sex, color, religion, national origin or ancestry, age, marital status, handicap, or Vietnam-era veteran status, shall be discriminated against in employment, educational programs or activities, or admissions. Inquiries or complaints may be addressed to the University's Director of Affirmative Action and Title IX/Section 504 Coordinator, 6015 Fleming Administration Building, Ann Arbor, Michigan 48109-1340. (313) 763-0235. T.D.D. (313) 747-1388.

CALENDAR

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, *Dividend* Magazine, School of Business Administration, University of Michigan, Ann Arbor, Michigan 48109-1.234," 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,

March 19

Women's Forum

March 26

Spring meeting of the Alumni Society Board of Governors

April 2

Meeting of the School's Visiting Committee

April 16

The Annual Scholarship Recognition Dinner

April 23

The second meeting of the newly formed Business School Committee of the University of Michigan Club of Cleveland. Speaker: John Morley, MBA '58, President and CEO, Reliance Electric Company.

April 27

Kick-off meeting of the Michigan Business School Club of Chicago. Speaker: Dean B. Joseph White.

May 13

Alumni Reception in Tokyo

May 19

Spring Meeting of the Corporate Board

June 4

Emeritus Lunch and Dinner

June 12

Reception in Paris inaugurating the European Michigan Alumni Club (EMAC), For more information, contact Henrik Gernow, c/o Jeanne Wilt at (313) 763-5775 or (313) 763-1250 (fax).

June 15

Growth Capital Symposium

July 22

Reception for new students and summer interns in the Cleveland area sponsored by the University of Michigan Club of Cleveland.

October 15

Fall meeting of the Corporate Board

October 22 & 23

Reunion Weekend

November 5 & 6

Seventh Annual Real Estate Forum

Address Correction Requested

The Regents of the University:

Deane Baker, Ann Arbor
Paul W. Brown, Mackinac Island
Laurence B. Deitch, Bloomfield Hills
Shirley M. McFee, Battle Creek
Rebecca McGowan, Ann Arbor
Philip H. Power, Ann Arbor
Nellie M. Varner, Detroit
James L. Waters, Muskegon
James J. Duderstadt, *ex officio*

Kresge Library Goes Online with MENTO



The festivities at the celebration marking the automation of the Kresge Business Library included a ceremonial dumping of cards from the no-longer-needed card catalog. Officiating at the recycling bin are (left to right) Dean B. Joseph White; U-M Provost Gilbert R. Whitaker, Jr.; Elaine Didier, Director of Information Resources; and Thomas C. Kinnear, Senior Associate Dean and the D. Maynard Phelps Professor of Business Administration.

During an intense four-day period in January the Kresge Business Administration Library eliminated its card and microfiche catalogs (until then the only methods of locating Kresge Library holdings) and dedicated its new online catalog, MENTOR (Michigan Electronic Network to Online Resources).

The changeover involved sixty-five permanent and temporary staff and volunteers, who applied 77,167 barcodes to books in the circulating collection. To fuel their efforts, they consumed 22 pizzas, 192 bagels and donuts, 288 cookies, and 2,304 ounces of soda pop.

MENTOR provides call number and bibliographic information on books, periodicals, working papers and dissertations available in the library's extensive collection.

The holdings can now be searched by such access points as author, title and subject heading. Records are not included for the library's

corporate reports, 10-Ks, proxy statements and manufacturer's directories on microfiche; CD-ROM subscriptions and some other specialized files.

MENTOR joins the University Library's MIRLYN system and the Law Library's LEXCALIBUR in providing users with electronic access to most campus library resources.

Future enhancements will include automation of the Library's circulation system and access to additional databases.

MENTOR can be used from any terminal on or off campus that has access to UMnet. It is searchable on such national and state networks as the Internet and MichNet. For further information you can request a copy of "MENTOR: Remote Access Guidelines" by calling (313) 764-7356. Other questions can be directed to Aline Soules at (313) 764-5532.

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