

MBA Perspectives Ten Years Later - See page 5


Dividend

The University of Michigan Business School

Fall 1994

Introducing the American Customer Satisfaction Index





Eric Peltz, a student in the Michigan Joint Manufacturing Initiative (MJMI), studies a difficult production process with faculty member Gary Herrin (right), at an industry site. Companies present the student teams with cross disciplinary problems that require both business understanding and manufacturing expertise. The teams are mentored by a pair of faculty advisors from engineering and business, and stay at the site for three to four months. For more on the MJMI program, which is educating engineers in the ways of business, and MBAs in the ways of manufacturing, see page 25.
(Photo by Philip Dattilo)



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Introducing the American Customer Satisfaction Index

A new economic performance index developed at the Business School provides measures based on the voice of the customer.

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Interviews with eight MBA students who were originally profiled in the Spring, 1984 issue of Dividend. What has happened to them in the ten years since they received their MBAs?



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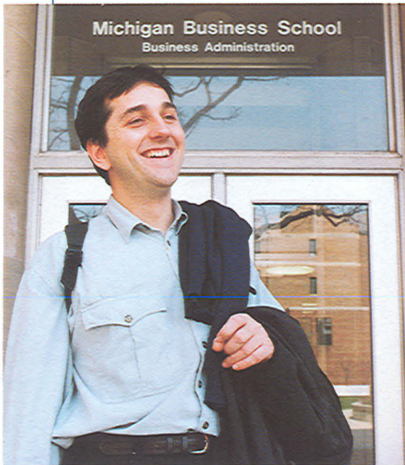
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The new American Customer Satisfaction Index represents the next stage in America's drive for competitiveness.



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Recycled paper in the spirit of conservation.



Gregory Fox

Faculty and staff at the National Quality Research Center will be working on the American Customer Satisfaction Index and preparing working papers and articles on research findings. Pictured here are (left to right), Barbara Bryant, adjunct research scientist; Michael Johnson, associate professor of marketing; Claes Fornell, the Donald C. Cook professor of business administration and director of the Center; Eugene Anderson, associate professor of marketing; and Michael Ryan, professor of marketing.

INTRODUCING THE AMERICAN CUSTOMER SATISFACTION INDEX

NEW ECONOMIC PERFORMANCE INDEX DEVELOPED AT THE BUSINESS
SCHOOL PROVIDES MEASURES BASED ON THE VOICE OF THE CUSTOMER

The first national measure of customer satisfaction and perceptions of quality of goods and services in the United States has been developed at the Michigan Business School. Results of the first survey, to be released quarterly, will be announced in October. The index, designed by faculty at the U-M National Quality Research Center, and based on work in Sweden by Claes Fornell, the Donald C. Cook professor of business administration, is currently co-sponsored by the Michigan Business School and the American Society for Quality Control (ASQC).

This new measure of the economy will narrow the gap between what we need to understand about the modern economy and what is presently measured. "Without a systematic tracking of quality—its causes and consequences—our diagnoses for competition remain uncertain and incomplete," commented Professor Fornell. "Sooner or later, that which is not measured will not be attended. As long as we measure productivity—and not quality—there is the risk of misallocating resources."

In its first year, the American Customer Satisfaction Index (ACSI) will examine 40 industries representing 43 percent of GDP. Over 60,000 screened households will be surveyed. Researchers will gather data from telephone interviews with customers of each included firm and from annual reports and subject them to analysis so that relationships between quality, customer satisfaction, and economic returns can be estimated. The

measures of customer satisfaction apply recent advances in psychometrics and econometrics, and will allow both cross-industry and company-by-company comparisons.

Work on the Index is being done by faculty and staff at the U-M National Quality Research Center, which will prepare working papers and articles on research findings and methodology. Members of the Center, besides Professor Fornell are Michael Ryan, professor of marketing; Barbara Bryant, adjunct research scientist; Michael Johnson, associate

professor of marketing; Eugene Anderson, associate professor of marketing; Jaesung Cha, research scientist; Lenard Huff, visiting assistant professor; and several doctoral students.

Fornell points out that in virtually all sectors of the economy, it is repeat business that contributes most to profitability. Satisfied customers can therefore be considered an asset to the firm and should perhaps be acknowledged as such in accounting records. If accounting were to incorporate customer satisfaction as an asset on the balance sheet, we would have a better picture of the relationship between the enterprise's current condition and its future capacity to produce wealth.

A uniform National Quality Index should promote more economic stability and long-term management perspective. Disappointing quarterly earnings may have less of a negative impact on the financial community if accompanied by strong customer satisfaction results.

The ultimate purpose of ACSI is to help improve the quality of economic output, as experienced by the users of that output. Along with other objectives of the economy, such as growth and employment, the quality of what is produced is an essential

part of our standard of living. Like other objectives, it should be subjected to systematic measurement.

Dr. Fornell developed and refined a similar National Customer Satisfaction Index in Sweden in 1989 under a multi-million contract from the Swedish post

office. The Swedish index covers a good proportion of the Swedish economy, including 30 industries and more than 100 companies within those industries.

In addition to identifying which industries and businesses have best pleased their customers, Fornell also developed an equation which can demonstrate to a firm just what will happen to its customer satisfaction score if it increases quality or customer service. The formula also can predict what will happen to customer satisfaction if there is a price increase. The satisfaction index can be translated into



revenue and profitability. For example, a point increase in satisfaction for Volvo converts to \$56 million of additional revenue for the automaker.

The Swedish results have led to a series of research studies examining the financial returns from increased customer satisfaction, public policy implications, corporate strategy, industrial organization implications and customer behavior. Based on five years of data, the index has been successful as a leading indicator of corporate economic returns and correlations with GDP and employment. Negotiations are now underway to design similar indexes for Germany and Taiwan.

Professor Fornell is one of the world's

leading experts on customer satisfaction measurement and analysis. He has been a consultant to several U.S. and European companies, including General Motors, Ford, GTE, IBM, Strohs, Gould, UPS, Unilever (U.K.), Wehkamp (The Netherlands) and Skanska (Sweden). He has written more than 50 published articles and three books.

Born and raised in Sweden, Fornell received a Doctor of Economics in 1976 from the University of Lund, Sweden. In 1987, he was a visiting professor at INSEAD, France, and at the Stockholm School of Economics in Sweden. He has been on the faculty at the Michigan Business School since 1980. ■

ACSI: NATIONAL ECONOMY, SECTORS AND INDUSTRIES

These 7 sectors account for 74.2% of the GDP, divided as shown. The ACSI measures customer satisfaction with companies which produce 58% of sales in these sectors, or 43% of total GDP.

Manufacturing Nondurables

8.3% of GDP

Apparel
Athletic Shoes
Beer
Cigarettes
Food (6 types)
Gasoline
Newspapers
Personal Care
Soft Drinks
\$654 Billion

Manufacturing Durables

9.6% of GDP

Automobiles
Consumer electronics
Household appliances
PCs/Printers
\$499 Billion

Transportation Communications Utilities

8.8% of GDP

Airlines
Broadcasting/TV
Electric Service
Express Delivery
Phone/local
Phone/long distance
US Postal Service
\$450 Billion

Retail

9.3% of GDP

Department stores
Restaurants/fast food
Supermarkets
\$375 Billion

Public Administration Government

12.6% of GDP

Garbage/trash service (central city, suburb)
Police (central city, suburb)
IRS
\$52 Billion

Services

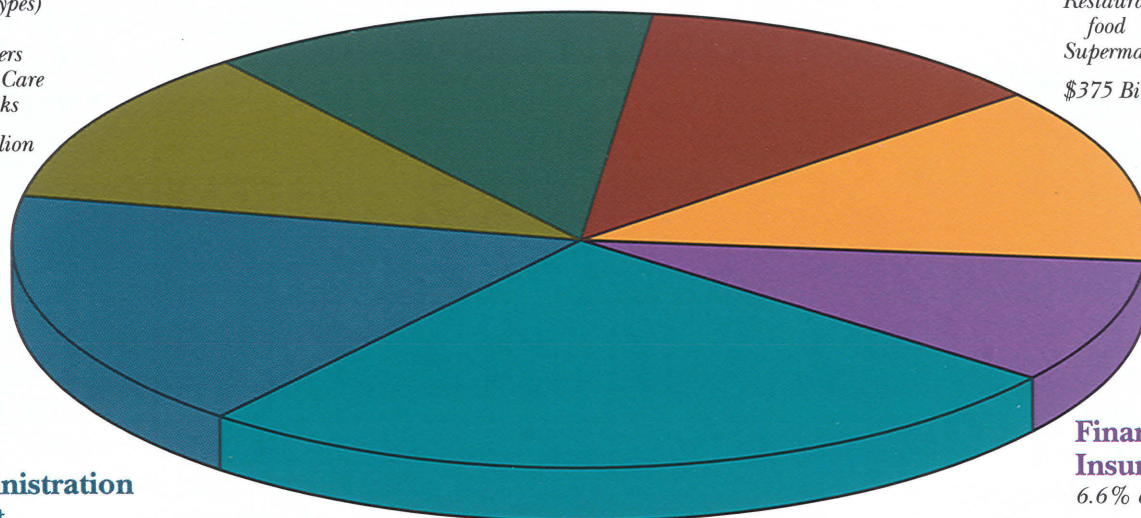
19.0% of GDP

Hospitals
Hotels
Motion pictures
\$48 Billion

Finance Insurance

6.6% of GDP

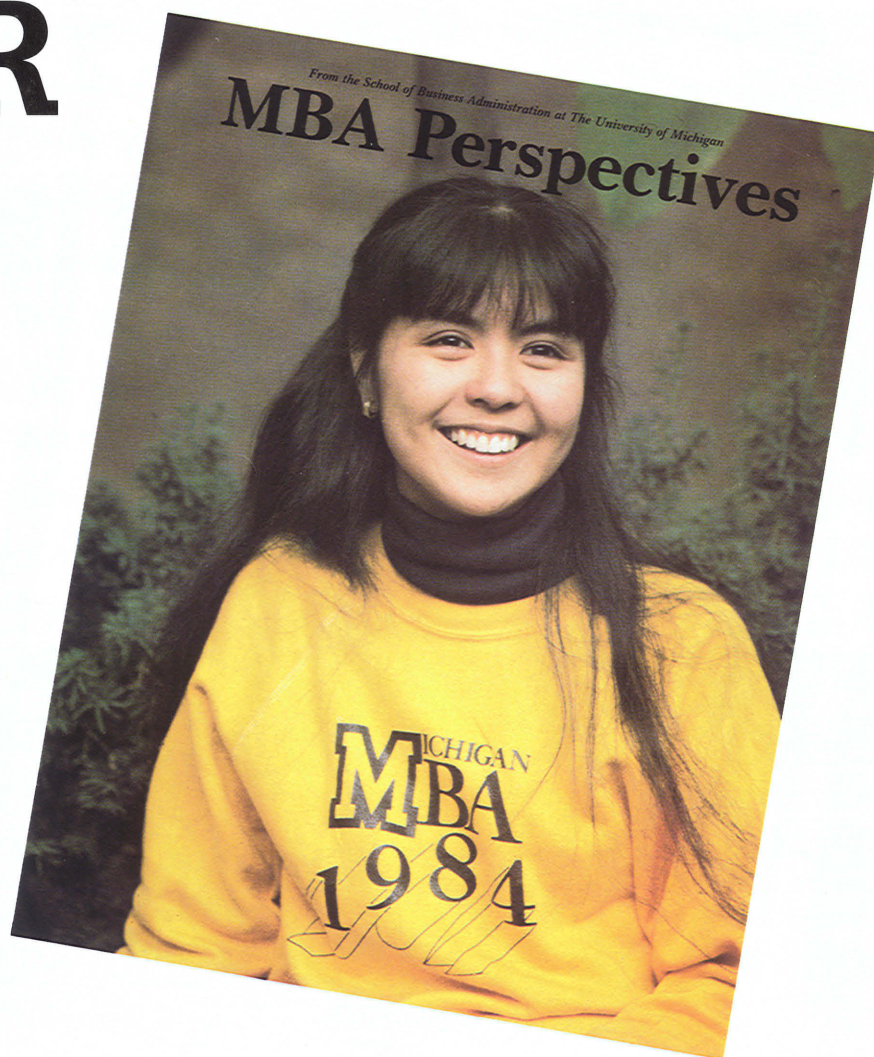
Banks/commercial
Insurance/life
Insurance/property
\$659 Billion



MBA PERSPECTIVES TEN YEARS LATER

As reunion time approaches, we start thinking thoughts beginning with the words, "I wonder whatever happened to . . ." So we decided to re-interview eight MBA students profiled in the Spring, 1984 issue of *Dividend* in an article entitled *MBA Perspectives*. What, we wondered, has happened to them since they received their MBAs?

The group included a lively mix of disciplines and experience. Before deciding to come to the Michigan Business School, they had worked in a variety of fields, including as a legislative aide, an art historian, an urban planner, an artist for an advertising agency, a financial consultant, a psychiatric nurse, a polymer scientist/engineer, and a keyboardist for a traveling band. At that time, some were here to "retool" for a different career direction; others were seeking to broaden and deepen skills already developed.



Now, some have arrived at just the places in their lives and careers they had expected to reach; others have taken major and minor detours from originally planned routes. If a common theme runs through these follow-up interviews, it has to do with a new respect for

stability and a need for balance between professional and personal lives. All the interviewees are still seeking and creating personal challenges, and many have used their MBAs to forge profound changes in their lives.

KEN SIKKEMA

*Representative, 74th District,
Michigan State House*

“Once you’re in a real organization, public or private, you find the interpersonal dynamics determine how successful an organization will be. You can’t have a complete appreciation for that factor before you’re out in business.”

“I never lost my taste for or love of politics since my days as a legislative assistant,” says Ken Sikkema, who now represents the 74th district in the Michigan State House. “But I really did need to develop skills in managing budgets, as well as people, by getting the MBA and working awhile in business.” After graduating with his MBA, Ken spent two years in general management at Herman Miller before returning to politics.

“When I went for my MBA in 1982,” he explains. “I had picked up some street skills in managing resources from my work as a legislative aide and as executive director of the West Michigan Environmental Action Council. The rigorous MBA program helped me hone and target those skills, to see things from a more analytical perspective.”

“Many people think that business is just marketing, finance and accounting,” Ken says. “But once you’re in a real organization, public



or private, you find the interpersonal dynamics determine how successful an organization will be. You can’t have a complete appreciation for that factor before you’re out in business.”

Ten years ago, Ken told *Dividend* that success, for him, meant having both a sense of personal fulfillment and a sense of contributing something worthwhile to society. That ambition is still central, he says, explaining that a motivating force behind his returning to politics was the chance to help revitalize Michigan.

“I’m motivated by the potential to help effect the changes my fellow citizens and community need,” he adds. “In the eight years I’ve been in office, I’ve been policy-oriented, rather than partisan-driven. The policy issues I care most about are improving the way Michigan funds its educational system, reforming our welfare system, and balancing environmental needs with economic vitality.”



Ken says he may yet put his MBA training back to use in the private sector. In 1998, he’ll no longer be able to run for his current office, as a new state constitutional amendment restricts state representatives to three terms. “At that point,” says Ken, “I’ll have to decide whether to run for a different office or go back to the private sector. So I’m glad the Business School helped me hone and target management skills I’ll need in any capacity.”

JERRY DAVIDSON

*Vice President,
Scudder, Stevens &
Clark, Inc.*

“I learned a lot about myself in terms of how to prioritize the various dimensions of my career and personal life, what’s most important in each area and how to balance everything. But I wouldn’t want to replay the whole thing again.”

When Jerry Davidson came to the Business School 10 years ago after several years’ experience in urban planning, he was aiming to change from the public to the private sector. Now vice president, internal audit function, at the Boston office of Scudder, Stevens & Clark, Inc., he says the transition he was looking for has been highly successful, but the road has not always been smooth.

After graduating from the MBA program, Jerry first spent four years doing management consulting with Coopers and Lybrand, then 14 months as assistant vice president for system implementation at the Boston Company before his job disappeared due to a corporate reorganization.

“At that time, we had a child on the way, and there I was on the street,” he says. “I job-searched for eight months before getting the position of vice president for trust systems implementation for a special project with the Bank of New England. That job lasted four-and-one-

half months.” The Federal Deposit Insurance Corporation (FDIC) took over the bank and Jerry went from one reorganization to another in a “last in, first out” situation. This time, he was only out of work for two months before joining Scudder in 1990.

Jerry philosophically views these experiences as instructive ones that provided opportunities for personal growth and reevaluation of his goals. “I learned a lot about myself in terms of how to prioritize the various dimensions of my career and personal life, what’s most important in each area and how to balance everything. But I wouldn’t want to replay the whole thing again.”

He credits the Business School’s broad and varied curriculum with giving him the mindset to adapt to radical change in the business world. The MBA work also gave him the confidence to weather difficult transitions.

“No, I’ve never thought about going back to the public sector,” he says. “At Scudder, I have stability combined with dynamic challenges. I apply many of the problem-solving skills I gained in the MBA program to firm-wide product management, to auditing systems, to the regulation and legal issues of financial management, and to major financial consulting.”

The job also has accommodated Jerry’s changing lifestyle and ambitions. “Ten years ago,” he says, “I would have looked more at the advancement opportunities a firm offered and less at things like back-up daycare. In 1984, I never thought about work-family tradeoffs, but now I have two kids and a wife who also works full-time. I’m glad I work for a firm that recognizes its employees’ needs for flexibility and family time, and one that doesn’t mind if you finish a task at midnight, as long as you do quality work.”



CAROLINA GARCIA

*Former Oil Company
Employee,
Now Full-time
Mother of Three*

“Although my days are very demanding, I often fail to see what I’ve accomplished at the end of the day. It’s kind of like basic versus applied research—you have to wait patiently for 10 to 20 years to see your results.”

Carolina Garcia’s radiant smile on the cover of the 1984 *Dividend* epitomized the vitality and optimism of young MBAs. Now she says, “If someone had told me then that I would suddenly interrupt my entire career to stay at home and raise children, I probably wouldn’t have believed them. At that time, I didn’t realize the level of commitment that raising children entails.”

Carolina came to the MBA program from a job as development engineer with General Electric. One of her goals when she entered the program was to work more with people and less with data and equipment. After receiving her MBA, she worked for BP America in Ohio in strategic planning, marketing and pricing, eventually ending up in financial analysis for the company’s refineries.

The arrival of her first child prompted her decision to work part-time at the company’s refinery while her husband completed his MBA at the Wharton School of Business. After the birth of her second child, Carolina decided to call it quits for awhile. “Working part-time with two small children, sometimes with no help—my husband is a management

consultant and travels a great deal—just proved too hectic,” she explains.

Today, the daily deadlines, performance appraisals, meetings and computer conferencing of her former job seem like a part of her distant past. Carolina recalls the routine with a sense of nostalgia for that orderly and easily quantifiable phase of her life.

“The work of parenting toddlers and preschoolers can be frustrating for a person who’s accustomed to seeing visible evidence of the day’s work,” says Carolina, who now has three children. “Although my days are very demanding, I often fail to see what I’ve accomplished at the end of the day. It’s kind of like basic versus applied research—you have to wait patiently for 10 to 20 years to see your results.”

Yet she can laugh as she describes the frustrations of bargaining with two-year-olds, as opposed to dealing with more rational co-workers. “I believe my MBA is still working for me in that respect,” she says. “The classwork certainly helped me sharpen my negotiating skills—which I’ve used both in the workplace and at home.”

Carolina’s MBA work also helped her put decision-making in perspective. In her 1984 interview, she said, “Business School has changed me. . . I’m more willing now to make a decision for only one or two years rather than believing decisions are set for life.” The need for flexible goal setting is more compelling than ever now, she says, adding that she plans to go back to work at some point—but not yet.



KAREN PACKARD

*Vice President,
Strategic Planning and
Marketing,
University Hospital
Consortium*

“Our goal is to help members manage change, costs and markets, to remain competitive in their local areas.”

In 1984, Karen Packard told *Dividend* that working as a clinical nurse specialist while studying for her MBA was difficult, but that it increased her ability to set priorities and make tough trade-offs. That ability stands her in good stead in her current job as vice president of strategic planning and marketing for the University Hospital Consortium (UHC), an organization that is helping academic health centers throughout the country adapt to changes sweeping the health care industry. Based in Oakbrook, Illinois, the not-for-profit consortium has 67 members, including major health centers such as those at Stanford and the U-M.

“Our goal is to help members manage change, costs, and markets, and to remain competitive in their local areas,” says Karen, who had eight years of experience in psychiatric nursing and hospital management before coming to the Business School. “We’re trying to help our members respond quickly and successfully to changes in health care with radical change strategies of



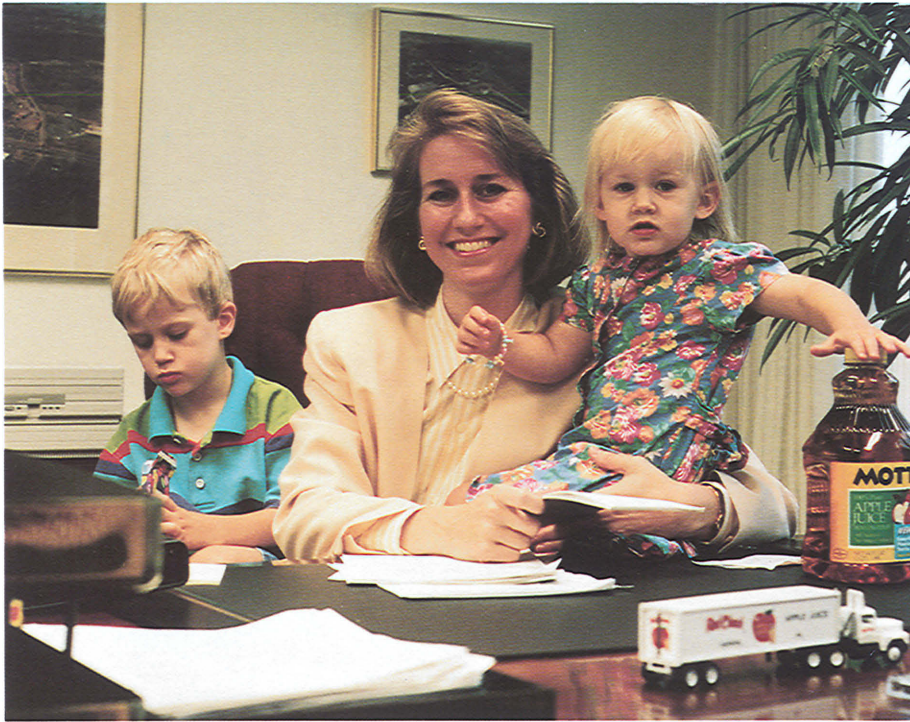
their own. For example, we initiated a group purchasing program in which over 60 of our members purchase pharmaceutical supplies together to reduce costs.

“It’s been a thrill for me to participate in the growth of UHC and its staff for the last eight years,” says Karen. “But the most rewarding part of the job is contact with staff in member institutions. I have the privilege of working with many of the brightest health care leaders.”

Today, as she helps UHC members assess their organizational readiness and leadership to deal with complicated ownership, governance and network development and consolidation issues, Karen relies on skills she learned in the MBA program. “I especially use the strategy courses, and the marketing and human resources instruction,” she says. “I’m particularly indebted

to Professor Aneel Karnani for his corporate strategy seminars, and to Prof. David Ulrich on the HR side.”

Karen now complements her years of patient care administration with business skills to help faculty and administrators at top medical centers evaluate performance and improve efficiency and effectiveness. “Clinical and operational benchmarking are two of our major products,” she says. “With payers demanding shorter patient stays and more efficient practices, many of our members may have to cut \$30 - \$70 million from their budgets. They ask for our help in determining how to run their labs, patient accounting departments and operating rooms more cost-effectively. This is a challenging time to work in health care.”



CYNTHIA ZIEMER BURKE

*Director of Marketing,
Mott's USA*

"I still use my art background, both in empathizing with the creative side and seeing things in a technical way, but it's the MBA that showed me how to work up solutions to problems quickly."

For Cindy Ziemer Burke, now director of marketing for Mott's USA in Stamford, Connecticut, marketing management represents a change from her earlier career plans. Ten years ago, with a Bachelor of Fine Arts degree and the MBA, she decided on a career in advertising, and gained experience with major advertising firms ranging from the Leo Burnett Agency in Chicago to Dancer, Fitzgerald & Sample in New York.

Although she enjoyed the creative challenges of the advertising business, Cindy says she became increasingly frustrated about the lack of opportunity for major decision-making about the marketing of products. So she switched to a career in brand management by becoming associate product manager for Sunkist soft drinks of Cadbury Schweppes. That job led to a two-year stint in London, where she launched Sunkist in the United Kingdom. Now, as marketing director for Mott's, a division of Cadbury, she has much broader decision-making responsibility than she did with the advertising firms.

"This is the best job I've had in



terms of the multiple challenges it offers in all areas of business—long range planning, pricing, promotions, distribution," Cindy says. "It's a thrill to be able to make a difference in a company, to manage a team, and see your impact in the marketplace.

"I still use my art background, both in empathizing with the creative side and seeing things in a technical way," she adds, "but it's the MBA that showed me how to work up solutions to problems quickly. Techniques I learned from the case method helped me think strategically, kept me from getting too involved in details and minutiae that can get in the way of the right decisions." The MBA also exposed her to facets of business—such as finance and accounting—that help her think more broadly, more like a general manager.

Cindy says she has shifted some priorities since graduating ten years ago. "The biggest change in my perspective since business school is that I now no longer focus singly on my career," she comments. "Today, I see that career as only one component of success. Family, free time—everything must balance."

Of course, there are trade-offs for fulfilling such multidimensional goals. "There's not much time for a social life," she says. "The only way I can make sure I have plenty of quality time with my family in the evening is to work hard all day so I can leave the office relatively early. Then, after the kids are in bed, I pull out more work. It takes more energy than I ever expected—but it's worth it."

DAN O'LEARY

*Director,
Portland Museum of Art*

“The problems of this wonderfully complicated institution are chiefly marketing ones in the fullest sense of the term. Every day, I practice all the classic principles I learned in marketing courses in the Business School.”

The Trustees of the Portland Museum of Art were relieved and delighted to find a director who could interpret a financial statement as accurately as a Renaissance masterpiece. They hired Dan O'Leary, who told *Dividend* 10 years ago that he wanted the MBA because of his interest in the management of large, non-profit institutions, particularly museums (he already had a Ph.D. in art history).

“Usually the trustees and executive committees of such institutions have to spend a lot of time compensating for an artistically-based person's blind spots in accounting, marketing and strategic planning,” says Dan. “The combination of my two degrees gives me credibility with scholars and curators, as well as with the people involved in the business side of running a museum.”

The job of running the museum, which Dan assumed in November, 1993, “is really a big case study,” he says. “The problems of this wonderfully complicated institution are

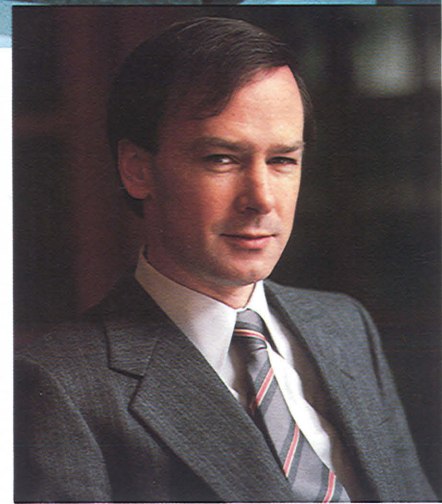


chiefly marketing ones in the fullest sense of the term. Every day, I practice all the classic principles I learned in marketing courses in the Business School. I carefully study differential advantages, customer satisfaction level, patron support, and feedback from the marketing loop to determine which features are successful and which aren't. Museums today have really started to wake up to this aspect of their operations.”

His institution, he says, is distinct from many other art museums because of great fluctuations in public demand. “Maine is a wonderfully unspoiled place for three seasons,” he explains. “Then, in the summer, the population increases from 1.4 million to 4 million.”

To take full advantage of the area's high-demand period, Dan carefully laid the groundwork for a large-scale marketing program. He increased advertising—via printed and electronic display—arranged for major exhibitions, and conducted audience surveys to ensure that the museum would serve the entire community as well as summer visitors.

Dan's entrepreneurial approach to managing nonprofits resulted in major benefits for the Minneapolis Institute for the Arts, where he was



assistant director before coming to Portland. During his tenure there, he helped increase participation from 300,000 to 510,000 visitors per year by conducting marketing studies and instituting communications and promotions systems.

Whereas Dan's dissertation work in art history prepared him for solitary pursuits, the MBA required him to work as a team player—a skill that is critically important in running large institutions. “Every day I draw on skills I learned in organizational behavior and industrial relations courses,” he says. “My team now includes curators, educational directors, CPAs, marketing and communications people, building directors, systems and operations people, and a museum store manager.”



JEFF EWALD

*Vice President,
J. Walter Thompson*

“I had worked on the business side of music before in managing and promoting my band, but the MBA gave me the knowledge and skills I needed to develop my sense of a marketing philosophy and focus on consumers.”

Before entering the Business School, Jeff Ewald was the keyboard player and manager of a high-energy night club band that spent 50 weeks a year on the road. He decided to go for the MBA, he told *Dividend* 10 years ago, when he realized the music industry is 95% business. Today, he is vice president and director of account strategy for J. Walter Thompson. (He also plays the French horn in a community orchestra, and keyboard in a “retro” style music group with some other “old guys,” he says.)

For Jeff, the MBA served as a crucial bridge between two successful but different career paths. “My business degree helped take me beyond rock and roll to new career possibilities,” he says. “I had worked on the business side of music before in managing and promoting my band, but the MBA gave me the knowledge and skills I needed to develop my sense of a marketing philosophy and focus on consumers.”

After graduation with his MBA, Jeff worked in marketing research for General Mills, Inc. in Minneapolis. At the same time, he also entered an entrepreneurial venture into real estate development—purchasing, rehabilitating, and marketing several abandoned warehouses in an old commercial district on the Mississippi River.



Eventually, Jeff left his job with General Mills to manage the real estate enterprise full time. He applied techniques he had learned in business school about new market penetration to a successful marketing plan for the riverside projects. Through meticulous restoration and research, including interviews with local old-timers, Jeff and his partner managed to get the renovated structures listed on The National Register of Historic Places. But finally, he says, the prices started to go up so high the market dynamics changed, and he decided to get out of the property management business.

The move was in character with Jeff’s entrepreneurial style. Even 10 years ago, he told *Dividend*, “I look for an opportunity, and then I want to develop it to its maximum potential, and then get out of it.” Yet, the slightly older Jeff did keep one eye on his future security. After completing his part in the Minneapolis real estate venture, he moved back to his native Detroit and took a job with Vlastic Foods Inc., again in market research. Now at J. Walter Thompson, he is a senior member of the account service team responsible for strategic marketing and communications plans for the Goodyear account.

This is a long way from carting band equipment around the country in a flatbed truck. Yet even back then, Jeff had been interested in improving his band’s lighting and costumes to add “pizzazz” to the act. Translation: to add market value. Today, he still works at expressing a product creatively through advertising, acting as a “translator between the creative people and the business people.”

**MARY ANN
(CABALLERO) MILLER**

*Director of Global
Marketing,
Eli Lilly and Company*

“The young hires see upper management positions shrinking in many corporations. But there will always be a place for results-oriented people with the desire to accept challenges.”



Ten years ago, Mary Ann Caballero told *Dividend* that her career goal was eventually to be CEO of a Fortune 500 company. “I know that’s a big order,” she admitted then, but added, “things are changing for women now.”

Ten years later, Mary Ann is making progress toward that goal. She is currently director of global marketing for the general medicine unit of Eli Lilly and Company. “It’s been far from a traditional sales and marketing career,” she says. “My career path is turning out absolutely as I had intended. My roles with Lilly have included financial analyst for Cardiac Pacemakers; project manager in pharmaceutical project management; product manager, new products; and director of medical devices and diagnostic business development, among others.”

With her responsibilities changing so frequently, Mary Ann had to master learning curves very quickly. She could not have performed so efficiently without the analytical tools she gained from her MBA, she says, adding that she especially values the strong financial background it offered. She also particularly appreciates the new products course

taught by marketing professor Merle Crawford.

“I see all the elements of that class—product development, early market research, product profiling and testing—actually put into practice here in drug development,” she explains. “And on my current job for Lilly, I find myself referring back to Professor Gunter Dufey’s international business course, especially the importance of studying the cultures of various countries I do business with, and of challenging cultural stereotypes.”

Mary Ann has words of strong encouragement for future Business School graduates who may be wondering if opportunity or frustration awaits them after graduation. “Don’t lose faith,” she says. “The young hires see upper management positions shrinking in many corporations. But there will always be a place for results-oriented people with the desire to accept challenges.”

Mary Ann had not expected to marry and have a family in the midst of pursuing her career goals, according to her 1984 *Dividend* interview. However, she is now married, with a four-year-old daughter—who also wants to be a CEO.



Gregory Fox

Four panelists at the Second Annual Women's Forum reflected in a personal way on how they got where they are today, the choices they made, and what influenced them along the way.

Second Annual Women's Forum Considers Leadership Choices



Gregory Fox

A panel of entrepreneurial women discussed lessons they learned while running a business.

When Molly Resnick, BA '72, MSW '74, was seven years old, she saw a movie in which Ida Lupino played a warden in a women's prison. She said to her Mom, "That's what I want to do when I grow up."

This was just one of the stories told by a panel of women discussing leadership choices at the second annual Women's Forum sponsored by the Michigan Business Women and the Business School's Office of Alumni Relations this spring. The panel was moderated by Carol Hollenshead, BA '71, MA '83, director of the U-M Center for the Education of Women.

The four panelists reflected in a personal way on how they got where they are today, the choices they made, and what influenced them along the way.

Although Resnick did not become a warden in a women's prison, she did explore several fields before returning to her first love — social work. Before getting there, she worked as a caterer, in commercial real estate and as an executive vice president for an ad agency. "Working at the ad agency was a great job," she told the audience, "but I wanted to go back to my roots, to what I felt passion for. And I wanted to use my entrepreneurial skills in that field."

So in 1990, she took a job as president of Neighborhood Senior Services. Now, the operating budget has grown 400%, she has substantially decreased the agency's reliance on government funds, and she loves what she's doing. "I don't know if the mantle of leadership fits," she said, "but I do feel I've been able to structure a rewarding, balanced life."

Linda Jolicoeur, president of Target Equipment Leasing, commented that her generation was raised to be teachers or nurses and to marry after high school. "There were very few options out there," she said. "I wanted to be a lawyer, but my father and four brothers would say, 'Girls

can't be lawyers.' The battles I've fought have been worthwhile. I have a 16 year old daughter and she can be anything she wants to be. There are *many* options open for her."

Cheryl Lippert, BBA '75, senior vice president and CFO of Value Rx Pharmacy Program, Inc., emphasized the importance of being true to yourself and added, "You can't do it alone. You need your fellow women at your side. We haven't completely learned that lesson yet." Lippert recently left her position as partner in Coopers & Lybrand's health care services group to join the ValueRx Pharmacy Program, Inc.

Lucy Reuben, MBA '74, Ph.D. '81, associate professor of finance at the Business School of Florida A & M University, said that her experiences at Michigan have been vital in enabling her to *have* choices. "In my time," she said, "fewer than 5% of the MBA class members were women. You have to think both short term and long term, and you need to be focused. Leadership involves focus and a certain amount of independent thinking. I don't think you can have it all, because you can't focus on it all."

"When making choices, how do you step past the fear?" asked a member of the audience during the question period. After a thoughtful pause, one panel member answered, "Remember decisions aren't irrevocable. You can always regroup. Other than having a child or killing someone, you can always reverse direction."

After the panel, participants in the Forum were able to attend hour-long group sessions on four different topics, each of which were repeated so that anyone could attend two of the four.

The sessions included:

- **WomenSpeak** - A session on communication styles led by Marilyn Gordon and Anne Harrington, lecturers in business communication.

The workshop focused on four different styles (analytic, amiable,

One of the breakout sessions considered different communication styles, and was led by Marilyn Gordon (left) and Anne Harrington, lecturers in business communication.



expressive, and achiever); how to identify which style you use; and exercises to help participants expand their styles.

- **Feminism at Work in Today's Organizations** - Participants in this workshop considered such questions as: What is feminism? What is gender bias? Where do you find it? What can you do about it? The session was led by Allison Elder and Edi Pasalis, both second-year MBA students, with the help of Susan Contratto and Jane Hassinger, co-directors of the U-M interdisciplinary program in feminist practice.

- **A Panel of Entrepreneurial Women** - Five entrepreneurs discussed lessons they had learned while running a business. They included Linda Erlich, president of Quality Mailing Service, Inc., who told listeners, "If you can put together a dinner for 12, have each dish ready at the same time, and look relaxed, you can run a business." Other members of the panel included Mary Campbell, MBA '79, partner at Enterprise Management, Inc., a venture investment and venture management firm; Betsy Farner, MBA '79, co-founder of Worden Glass, which manufactures neon signs; Jan Barney Newman,

president and founder of Aristoplay, a leader in the educational games market; and Barbra C. Wells, president & founder of Enviroscope, Inc., an environmental research, compliance, and training company.

- **Empower Your Career** - Ann Stone, MBA '86, marketing director at Pizza Hut, and Marie Seddon, MBA '87, director of development, major gifts and foundations for University Hospitals of Cleveland, discussed ways to advance your career.

Some other thoughts expressed during the day included:

"Balancing is tough. The only way to do it is to make sure you know what's important to you and go with that. And what's important changes over time."

"In the end, you always come back to who you are. Core value issues are central to life."

"People ask how do I do it (carry a full time job, take care of children, etc.) And I say — like the rest of life, I do it one day at a time." ■

A \$1 million commitment by the Michigan Business School to its Growth Fund was announced by Dean B. Joseph White at the April meeting of the Growth Fund Board. The amount will be invested in the Fund over a four-year period.

An in-depth discussion of investment strategy by alumni investment managers was presented to the Board at the same meeting.

Resources from the Growth Fund are invested primarily in venture capital, growth stocks, and undervalued special situations. Although this strategy promises larger returns in the long run, in the short run it demands adequate resources to spread the risk strategically over different ventures. The Fund has a present market value of approximately \$500,000.

A Steering Committee for the Growth Fund is chaired by Mary Campbell, MBA '79, a partner in Enterprise Management, Inc., an Ann Arbor-based venture management company. Before joining Enterprise Management, Campbell served as president of Michigan Capital and Service, Inc., the Ann Arbor-based venture capital subsidiary of National Bank of Detroit (NBD). She has a broad range of experience in finance and venture capital. Other members of the Steering Committee include Norman Herbert, University treasurer and investment officer; and Cleveland A. Christophe, MBA '67, principal of TSG Ventures, Inc., a venture capital investment company based in Stamford, Connecticut.

"I am excited by the opportunity to work with the Board and our alumni managers on the Growth Fund, and look forward to seeing the size of the Fund grow significantly over the next several years," said Campbell. "Over time, I am hopeful that we can link the entrepreneurial spirit of the Fund with MBA students interested in entrepreneurial careers."



School \$1 Mil Alumni- Growth

The fund's managers, who are all volunteers, are:

- DIXON R. DOLL, chairman of the DMW Group, a telecommunications consulting group. He is also a general partner of Accel Partners, a private venture capital firm which invests in entrepreneurial companies, primarily in the multimedia area and in the area of wireless communication. Doll earned a master's degree in 1965 and a Ph.D. in 1969, both from the U-M in electrical engineering. His son, Dixon R.



Gregory Fox

◀ *Mary Campbell, MBA '79, chairwoman of the Steering Committee of the Michigan Business School Growth Fund, is pictured with two of the three alumni managers of the Fund. Left is Dixon R. Doll, general partner in Accel Partners, a private venture capital firm; on the right is Lawrence Goldstein, MBA '58, founder of Santa Monica Partners, which invests in neglected sectors of the market. Campbell is a partner in Enterprise Management, Inc., an Ann Arbor-based venture management company.*

Commits lion to Managed h Fund

Doll, Jr., graduated from the Business School with his MBA in 1994.

• **LAWRENCE J. GOLDSTEIN, MBA '58**, a retired corporate officer of Drexel Burnham Lambert. He founded Santa Monica Partners in 1982 to invest in neglected sectors of the market. The firm specializes in “pink sheet” stocks which are too thinly traded for the major stock exchanges. He says he primarily looks for companies with small numbers of absolute shares outstanding; companies that are closely held and inac-

tively traded; and companies that are misunderstood.

• **HAROLD R. KELLMAN, MBA '68**, who has managed investments for private individuals for 21 years. He specializes in stocks of emerging growth companies, particularly multimedia and software enterprises.

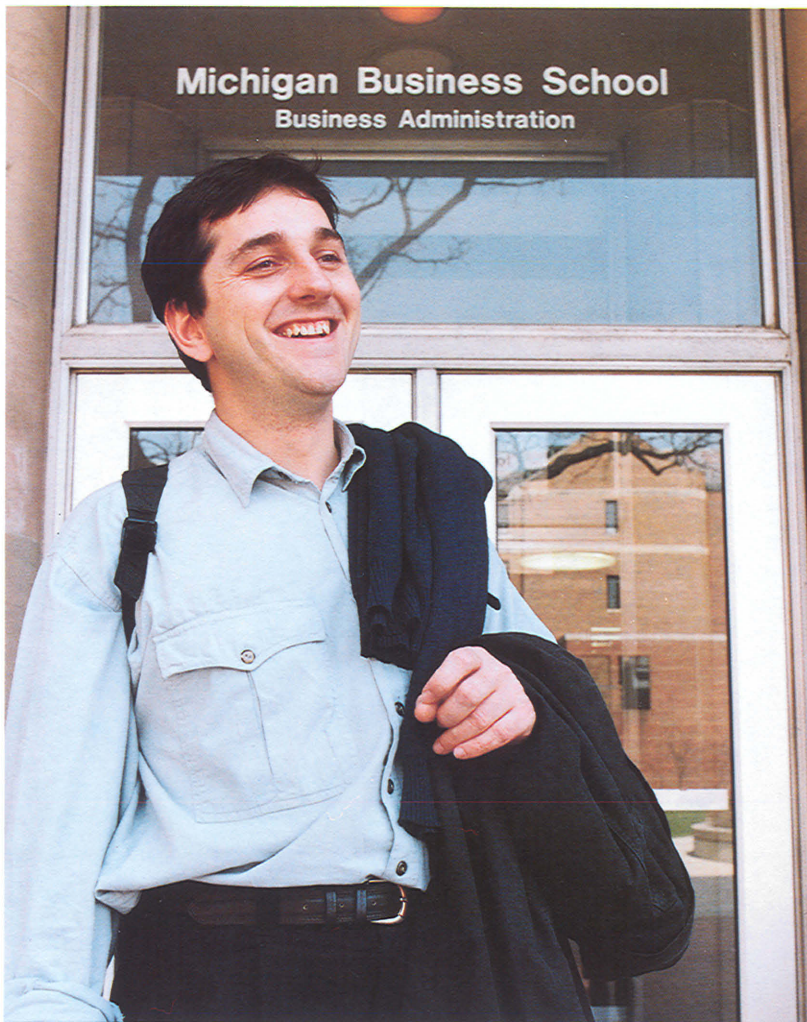
The idea for the Growth Fund grew out of suggestions by alumni who wanted to contribute to the Business School, but sought a fund that had a more aggressive investment strategy.

The regular Business School endowment has a market value of approximately \$50 million, and is part of the general U-M endowment, which is widely diversified in its investments. Each endowment is given a share value in the overall portfolio of the University, and each school portion increases accordingly. The Growth Fund is more focused, aiming to gain superior returns by concentrating on opportunities to earn higher returns by assuming greater risk.

“I am pleased to place some of our own School resources into an entrepreneurial investment strategy,” said Dean B. Joseph White. “The performance of the Fund over its first four years has been very encouraging and I look forward to the managers’ building on their early success.”

For further information on the Growth Fund, contact James Murdock, assistant to the dean and director of finance and planning at the Michigan Business School, University of Michigan, Ann Arbor, Michigan 48109-1234. Telephone: (313) 936-2772. ■

New Davidson Jour Educate Readers



▲ *Vladimír Matějovský, business editor at Prague's Mladá Fronta Dnes, the largest business daily in the Czech Republic.*

As business editor at Prague's *Mladá Fronta Dnes*, the largest business daily in the Czech Republic, Vladimír Matějovský oversees 20 economics reporters whose articles are influencing government policy and the direction of the Republic's economic transition.

But for four months this year, he was at the Michigan Business School as the first recipient of the William Davidson Institute's Fellowship in Business Journalism in the Michigan Journalism Fellows (MJF) program.

Here he studied corporate finance and international trade, and describes his studies as "horizontal and vertical, part macro-and part micro-economics. I've picked up some business history, real estate, finance, and accounting principles. I'm learning to analyze the financial state of a structure.

"I love it," he says. "At last, I've got the opportunity to get a proper education in economics. Before, I had scattered knowledge in certain areas, but this term, I've been able to connect, to fill in the missing framework."

His reporters will reap second-hand benefits from Matějovský's visit, as he plans to conduct seminars that explain the basic principles of finance and accounting he's learned here. "In our country, there's a basic lack of knowledge about the nuts and bolts of economics," he says. "Even the banks need better business plans. So far, many have obtained capital only through personal contacts. And many finance people don't understand or plan for inflation—that's a relatively new concept for our economy."

Matějovský's primary concern is helping those reporters interpret the new economy to the paper's 400,000-plus readers, particularly those in the country's growing middle class. "Every structure is changing, from public transportation to social welfare," Matějovský says. "Covering it all is sometimes great, sometimes exhausting. Suddenly, 80 percent of our population are shareholders in a unique structure of privatization. Our readers have to know what to do with 1,500 shares of stock in a company—whether to sell, hold, how to behave in this mess.

"We are trying to meet their information needs by publishing special weekly financial supplements that cover family finance and other popular financial issues. I hope we are

Journalism Fellow Helps in Czech Republic

helping people become more sophisticated about things like investment yields so they will not be fooled by strange and colorful promises.”

Commented Edward A. Snyder, director of the Davidson Institute, “Matějovský’s reports on financial and business issues transcend the day-to-day commercial happenings and attract hundreds of thousands of readers. We are very pleased that he was the first recipient of the WDI Fellowship in Business Journalism.”

The Davidson Fellowship is a part of the Michigan Journalism Fellows (MJF) program, which offers fellowships to mid-career journalists from throughout the United States. While here, they study just about anything they want, attend twice-weekly seminars, and absorb all they can from each other. The goal is to improve the quality of information reaching the public by making it possible for promising journalists to spend a year in study.

The WDI Fellowship in Business Journalism differs in that its recipients are journalists from countries making the transition to more market-oriented economies. It is intended to help these professionals more effectively cover such issues as the process of privatization and stock market creation and to educate their readers. The creation and dissemination of knowledge is one of the key priorities of the Davidson Institute, and this fellowship is seen as one way to improve the quality of information and analysis reaching the citizens of these countries.

WDI Fellows are selected by a Committee consisting of Hans Brechbühl, director of operations at the William Davidson Institute; Ben Davis, foreign futures editor of *ABC News*, a 1992 Michigan Journalism Fellow, and

former executive producer at *National Public Radio*; Charles Eisendrath, director of Michigan Journalism Fellows, U-M professor of communication, and former foreign correspondent for *Time Magazine*; James Greenfield, editorial board member of *The New York Times* and president of the Independent Journalism Foundation; Linda Rogers, assistant foreign editor of the *Los Angeles Times*; Jeff Trimble, deputy foreign editor of *US News & World Report*; and Edward Snyder, director of the William Davidson Institute and U-M professor of business economics and public policy.

Candidates for the WDI Fellowship are nominated by committees formed in each country in which the Davidson Institute has a presence, including Poland, the Czech Republic, Slovak Republic, China, India, Hungary, and Russia. The WDI Fellows for the 1994-95 year are Krystyna Naszkowska, a columnist for *Gazeta Wyborcza* in Warsaw, Poland (fall semester); and Katarzyna Jedrzejewska, a journalist on the staff of the economics department at the Warsaw-based *Rzeczpospolita*, the largest daily in Poland (spring semester).

The Davidson Institute, founded in 1992 with a \$30 million financial commitment from Guardian Industries Corporation, was established to help nations around the world make successful transitions from command to market economies. It is named for William Davidson, president and chief operating officer of Guardian Industries. Other Davidson Institute programs include partnerships that match companies in transitional economies with Business School faculty and U-M internship fellows as well as with Western companies that have a business relationship with companies in transitional economies. ■

“I hope we are helping people become more sophisticated about things like investment yields so they will not be fooled by strange and colorful promises.”

Project: A

First-year MBA student Nagawa Kakumba noticed that when many people spoke of “international business,” they left out Africa. That’s when she decided to make a commitment to the Business School’s Africa Corps.

So during the summer, Nagawa and Beverly Ostrowiecki, an evening MBA student who had experience with the MBA Corps in Poland, travelled to Johannesburg, South Africa, as two of nine students sent to three African countries by the MBA African Business Development Corps.

The model for the African Business Development Corps is the one successfully formulated by the Michigan Business Assistance

Corps for Poland in 1990. Under this model, students are placed in a company and are expected to provide project assistance based on the organization’s requirements. This particular approach is also modeled after the Business School’s Great Lakes Trade Adjustment Assistance Center (TAAC), which has continued to provide much needed technical support and assistance to U.S. manufacturers for over nine years. “As we begin this program,” says Director Brent Chrite, “we plan to make a consolidated effort that will allow us to capitalize on existing relationships with African companies and to focus on maximizing our impact on the local African business economies.”

On the way to South Africa, Nagawa and Beverly spent a week in Dublin with Ireland Development International (IDI), an organization that provides linkages between local companies and multinationals to help local Irish companies become vendors and suppliers. Lessons learned in Ireland were expected to help their efforts in Johannesburg, where they were going to work with Brighter Horizons, an economic and business development trust organization. However, as with any first-time international venture of this nature, contingency plans are essential to ensure success. Shortly after their arrival in South Africa, the project they had expected to work on fell through and they had to seek new opportunities. Their perseverance quickly paid off. Beverly assumed a marketing position with BMW South Africa and Nagawa joined the Johannesburg office of Deloitte & Touche to work on small business development in the region.

Five other students were assigned to the Africa Corps in Ghana (after South Africa one of the most productive economies on the continent.) In the capital city of Accra, four students, whose backgrounds include marketing, finance, and accounting, were with the State Enterprise Commission (SEC) in charge of privatizing previously national-



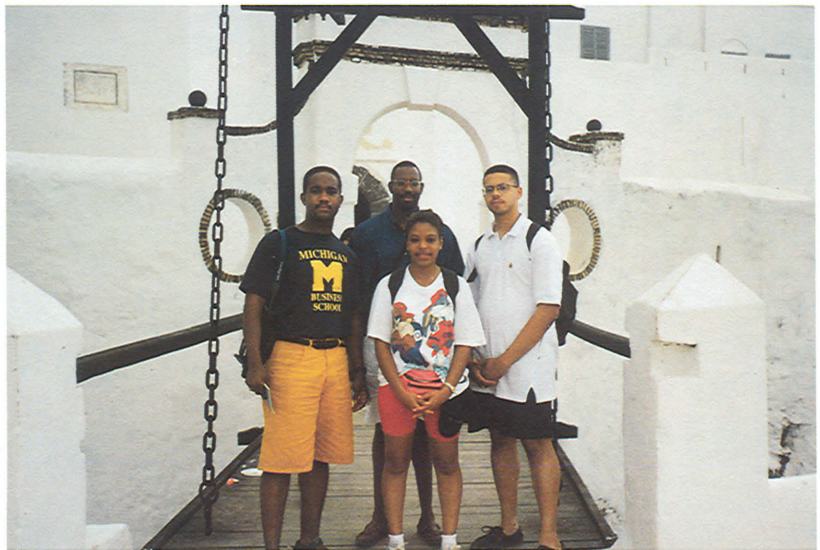
The Old Mutual Insurance company was very helpful to the African Business Development Corps, not only by putting the Corps in touch with a number of business organizations in Africa, but also by hosting students and helping them follow up on contacts. Pictured in front of the Capetown headquarters of the company are (left to right) Stuart Henderson of Old Mutual Insurance Co.; Brent Chrite, director of the Corps; MBA student Nagawa Kakumba; Myrtle George of Old Mutual Insurance Co. who made a pre-project visit to the Michigan Business School to learn about the Africa Corps (standing in front of Nagawa); the tour guide; Professor of Business Administration Edwin Miller, who is director of international development at the Michigan Business School; and Beverly Ostrowiecki, an evening MBA student who, before working for the Africa Corps, had experience with the MBA Corps in Poland.

frica

ized companies (about 350 in all). The fifth student was Nicole Winters, BBA '94, who spent the summer helping Farmindus Services Projects market a domestically produced high protein, low cost food cereal for infants and children. Farmindus is a charitable organization founded to facilitate economic development by promoting self-help in rural communities. This particular project is aimed at reducing malnutrition in the West African nation and its surrounding regions.

In Kampala, Uganda in East Africa, James Gosserand, an accountant who is entering his second year of the MBA program, helped revamp the cost accounting system of a medium-sized metal manufacturing and fabrication organization. He was also involved in developing a new marketing plan and new product ideas for the Ugandan market. The other student in Uganda, Reginald Hamlett, is an engineer by training and worked with Spear Motors, the East African distributorship for Mercedes Benz. Spear Motors was in the process of assessing its current marketing plan, and considering the market potential for Mercedes Benz vehicles and repair services in Uganda and throughout the East African region.

Funding for the Africa Corps, now in its second year of existence, is being provided by a combination of sources. Local African businesses provided living arrangements, food, and local travel. Some overseas travel was paid for by the Center for International Business Education (CIBE) at the Business School. The overwhelming majority of the budget was provided by the Business School. A critical indicator of the program's success and future viability will be the degree to which it can become financially self-sufficient in the next two to three years. Securing external funding sources will be a major priority for the 1994-95 academic year.



The Africa Business Development Corps has three aims, according to Director Chrite. First, the Corps provides graduate business students with a unique opportunity to contribute to the development of business and commerce in many of the emerging democracies on the African continent; second, it seeks to develop mutual and long-term commercial opportunities for both U.S. and African businesses; and third, it expands the scope of international activities at the Business School by forging long-term, sustainable relationships between the African business community and the Michigan Business School.

Before leaving for Africa, students were able to attend a three-day orientation program addressing African economic, cultural, social, and political issues. The program included talks by Charles Moody, Director of the University's South African Initiative Office; Paul Musherure, a student at the U-M Dental School who is a native of Uganda; and Yaw Twumasi, lecturer in political science and Afroamerican and African studies.

Other lecturers in the program were Keletso Atkins, associate professor of history and Afroamerican and African Studies; Zackie Achmet, a South African filmmaker; Maurice Devries, first year MBA student who is a native of South Africa; Maxwell Owusu, professor of anthropology; Felix Amoyaw, MBA '93, who is a native of Ghana; and Bruce Finley, a Michigan Journalism Fellow who was based at the Business School last year. He is a reporter for the *Denver Post* and has extensive experience reporting from Africa. ■

Business School students who worked in Ghana this summer are pictured on the drawbridge of Elemina castle on the Cape Coast, that was used in the processing of slaves. They are, left to right, Ed Hightower and Richard Brooks, both MBA students; BBA student Nicole Winters; and Mark Chennault, a student in the MAcc program.

Students Visit Ten Companies During First Asia Study Tour

By Heidi Dziak



Paul Churchhill

◀ Pictured at Bankers Trust Offices in Hong Kong during the Asia Study Tour are, left to right, Brad Farnsworth, director of the U-M Center for International Business Education (CIBE), which co-sponsored the trip; Bernard Yeung, U-M associate professor of international business; Steven Barnes, associate, Bankers Trust in Hong Kong; David Dredge, vice president, Bankers Trust in Hong Kong, who is holding a plaque of appreciation presented to Bankers Trust on behalf of the Study Tour; and Bernard Yu, MBA '91, vice president, Bankers Trust in Hong Kong.

Like surgeons in an operating room, women outfitted in coats, face masks, and caps work in two rows alongside a conveyer belt that runs between them carrying fresh shrimp. Similarly garbed in sterile attire, 18 U-M students listen intently as Svida Alisjahbana, BS '88, vice president of FEQA Aquafarmindo in Jakarta, explains the shrimp processing business. She also describes some of the issues facing the company, a large supplier of fresh shrimp to the Indonesian market, including its response to growing competition and its strategy to maintain and expand market share.

Her talk is one of several heard by U-M students taking part in the first Study Tour to Asia, co-sponsored by the Business School and the Center for International Business Education. The two-week tour was designed by Linda Lim, director of the Southeast Asia Business Program; Bernard Yeung, associate professor of international business; and Brad Farnsworth, director of the Center for International Business Education.

U-M alumni in Hong Kong and Indonesia provided a crucial local presence for members of the Study Tour Planning Committee, as they set up visits to five companies in Hong Kong (Motorola Semiconductors Ltd., Dana Corporation, Cathay Pacific Airways Ltd., Citibank, and Bankers Trust Company) and five in Indonesia (Procter & Gamble, Reebok International, Toyota-Astra, FEQA Aquafarmindo, and Chase Manhattan).

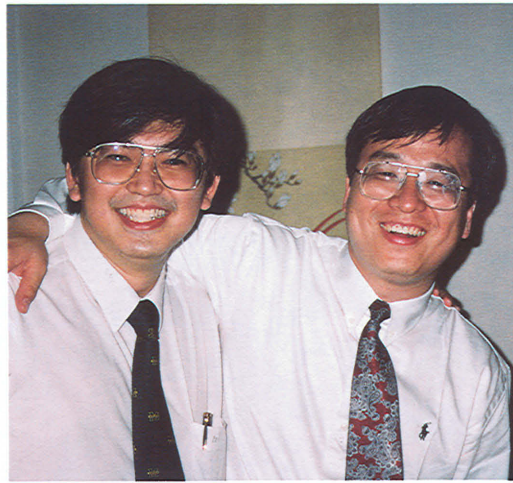
Before leaving for Asia, students received six hours of orientation on each country's history, economy, and culture as well as the connection between these aspects and the region's current business environment.

The majority of the participating students were first year MBAs, but the group also consisted of second year MBAs, a joint MBA and Southeast Asian studies student, BBAs, and undergraduates studying physics, Spanish, political science, and engineering. About a quarter of the group consisted of foreign students; one third were people of color; and 44% were female. The value of this diversity became evident as the group explored cultural norms and values affecting business, such as labor/management relations.

Bernard Yu, MBA '91, newly named vice president of Bankers Trust and a former student of Professor Yeung's, arranged a visit with Bankers Trust in Hong Kong, and spoke to the students about the new venture market opening there. He also coordinated a reception and dinner for the students and local U-M alumni. That event was hosted by Herbert Hildebrandt, professor of business administration and communications at the Michigan Business School, who has many contacts in Hong Kong.

U-M alumni in Indonesia arranged company visits, coordinated professional and social activities and secured ground transportation for the Study Tour. Alumni included Andreas Bunanta, MBA '93, assistant manager, the Chase Manhattan Bank; Elaine Nagaria, BA '91, manager, PT Eslon Jaya; Svida Alisjahbana, BS '88, vice president, FEGA Aquafarmino; Evelyn Satyono, BBA '92, assistant manager, Citibank, N.A.; and Amir Sidharta, BS '87, associate, Linda Garland Interior Design. Manggi Habir, MBA '79, faculty member, the Indonesian Institute for Management Development, coordinated a visit to the Institute and made a presentation to students about the influences on international business education in Indonesia as it applies to the demand for managers. A luncheon at his home followed the visit.

Also in Indonesia, Paul Churchill, a 1994 joint degree graduate (MBA/MA in Southeast Asian Studies), shared his knowledge of Indonesian culture, daily living practices, and history with Study Tour participants. A former intern with Reebok of Indonesia, Paul explained the shoe production process during a tour of Eagle Manufacturing, a plant on contract to produce several lines of Reebok footwear. Paul's experience of having lived in Indonesia, coupled with his ability to speak Indonesian, allowed him to



Heidi Dziak

Left, Andreas Bunanta, MBA '93, assistant manager of the Chase Manhattan Bank in Indonesia, is pictured with first-year MBA student Meng-Kai Chen.

give the students insight into cultural norms, values, and customs of the country.

Among the cultural events arranged by the Indonesian U-M alumni were visits to craft and fish markets, tours of museums, and a trip to the Jakarta Stock Exchange. Members of Enteos, an exclusive club for bankers, invited the students to attend a lecture given by Brad Farnsworth, director of the U-M Center for International Business Education, on international human resource management and American business attitudes toward Asia. A farewell dinner party hosted by Elaine Nagaria, BA '91, and attended by alumni was given in honor of the students' visit to Indonesia.

At the conclusion of the Study Tour, students were asked to consider the two business environments of Hong Kong and Indonesia and assess them in terms of infrastructure, labor costs and skill level, and local market potential. ■



Heidi Dziak

Svida Alisjahbana, BS '88, vice president of FEGA Aquafarmino, shrimp processing and marketing firm in Indonesia (left), is pictured with first year MBA student Sherri Tolson.



STRADDLING TWO FIELDS FOR THE SAKE OF COMPETITIVENESS

*MJMI Program Educates Engineers
in the Ways of Business, and MBAs
in the Ways of Manufacturing*

S

uppose you have figured out a way to build a better mousetrap. The world will not beat a path to your door unless you can price it competitively. Can you build that mousetrap in a cost-effective way? And do you have a realistic appreciation of the engineering and manufacturing processes that go into the product?

The answer to these questions has too often been that the engineer and the business person hardly even speak the same language. But the new Michigan Joint Manufacturing Initiative (MJMI), a joint venture between the Michigan Business School and the College of Engineering, is educating engineers in the ways of business, and MBAs in the ways of manufacturing technology. The aim is to produce people who can speak both languages.

For example, next fall, professors in the business and engineering schools will combine their expertise to teach an MJMI class in new product development. The intent is that students — who will come from both the business school and the engineering school— will conduct market research, design, build, and compete with fully functional products.

One of the professors teaching the class is William Lovejoy, who this fall joined the MJMI program from Stanford as professor of operations management at the Business School. At Stanford, he taught a similar class for both engineering and business students. “What we hoped

◀MJMI students Vikram Polavarapu and Fukky Tantang (right) perform engineering and economic analyses on the consolidation of two plants to one plant. The project includes performing economic justification, plant layout, and competitive benchmarking studies.



Alexa McCulloch (standing) and Sandra Rice tackle a bottle-filling production line problem at a one-million square foot manufacturing facility in North Carolina. Alexa has a bachelor's and two master's degrees in engineering, and Sandra is a second-year MBA student with a bachelor's degree in engineering and several years experience as a plant superintendent.

to do in the class was to develop in MBAs an appreciation for the process of design and manufacture and to develop in engineers an appreciation of the constraints placed on design and manufacture by a competitive economic context," says Lovejoy, who wryly adds, "The devil really is in the details."

But the MJMI program is about more than interdisciplinary

coursework. It also sends students in small teams to work at an industry site for three to four months. A pair of faculty advisers, one from business and one from engineering, mentors each project team. Companies present the teams with cross disciplinary problems that require understanding and resolution.

Projects may involve competitive analysis, strategic positioning, plant layout, inventory management, and related issues. Below are several sample projects that were initiated this year:

- A faculty and student team helped reduce alignment warranty problems in an automotive assembly plant. The project included the design and implementation of a new automated process control system, the identification of necessary product design changes, and the development of alignment process improvements. Pending the project's success, the process and product changes will be incorporated at other plants and on new models.

- A team of students formulated a business strategy for incorporating recycling into the manufacturing and marketing of automotive interior components. The project included a market analysis of the recycling issue in the auto industry, an analysis of the cost structure for a recycling infrastructure which led to the development of a post-consumer life-cycle cost model, and a proposed corporate strategy for recycling. A paper on the life-cycle model will be presented at a national conference

on automotive recycling.

- The installation of a just-in-time delivery system in a German manufacturing plant.

The MJMI program is advised by an Industrial Advisory Board consisting of 27 representatives of manufacturing companies who meet twice a year to discuss such issues as curriculum development, cross disciplinary research activities, and career path definition for students.

All MJMI students attend a weekly Manufacturing Seminar, which brings together representatives of the manufacturing community — students, scholars, and industry — in order to further the state-of-the-art through exchange of ideas and careful study of applied operations problems. Beginning this fall, the Manufacturing Seminar will include a real-time remote interactive video case with an alliance industry partner.

Four degrees are available under the umbrella of MJMI. They are: the MBA program with a concentration in manufacturing; the MBA program with a concentration in manufacturing and a master's in engineering; a 12-month master of engineering program in manufacturing with a heavy dose of business courses; and a five-year honors program leading to a BSE and MSE in engineering.

Students enrolled in the program average 4.5 years of full-time work experience, an undergraduate grade point of 3.3 and a GMAT score of 674, representing the 95 percentile of scores nationwide. Of the 27 MJMI students admitted to the MBA program this fall, all but four had undergraduate degrees in engineering and five already had their MS degrees in engineering.

The program has recently received \$600,000 in gifts and pledges, which include \$200,000 from the 3M Foundation, to be awarded over two years; \$300,000 from AlliedSignal Inc., to be given over three years; and \$100,000 from the SPX Foundation, to be awarded over five years. Other contributions have been received from Merck, General Motors, Andersen Consulting, the Herrick Foundation, Ashland Oil, the Maas Foundation, and T & N Industries.

MJMI is jointly directed by Brian Talbot, professor of operations management at the Business School; James Bean, professor of industrial and operations engineering at the College of Engineering; and Craig Marks, visiting professor, College of Engineering and School of Business Administration. ■

Alumni Activities

John Nannes, BBA '70, partner at Skadden, Arps, Slate, Meagher and Flom, which provided the meeting room for the first get-together of the Washington, D.C. Business School Alumni Society. ▼



Andrew Kent, MBA '94, chats with Cynthia Courie, BBA '90, at the first meeting of the Business School Society of the Washington, D.C. U-M Alumni Club. ▼



Washington, D.C. Alumni Form B-School Society

The newly formed Michigan Business School Society of Washington, D.C. held its kickoff event in June with a reception for Dean B. Joseph White. About 50 B-School alumni and students attended the event, and heard Dean White speak about the changing nature of business school education and how the Michigan Business School is adapting to those changes. The reception, held at the D.C. law firm of Skadden, Arps, Slate, Meagher and Flom, was organized by John Harris, MBA '60; Carl Smith, Jr., MBA '81; Ruth Raubitschek, MBA '77; Loren Heckelman, MBA '89; Mike Weber, MBA '91; and Ronnie Goldberg, MBA '93.

B-School Society officers for the upcoming year are: Loren Heckelman, president; Ruth Raubitschek, vice president; and Bill Taylor, MBA '77, secretary.

The Society's next scheduled event is an October 13 reception for all Washington, D.C. area alumni, friends and guests. The speaker will be Bob Shapiro, deputy vice chairman of tax services for Price Waterhouse.

The Michigan Business School Society of Washington, D.C. is affiliated with the U-M



▲ *Left to right, members of the Washington, D.C. Business School committee are Carl Smith, Jr., MBA '81, vice president of sales, Washington Investment Corp.; Ruth Raubitschek, MBA '77, economist with the U.S. Dept. of Justice; John Harris, MBA '60, president, Potomac Ventures, Inc.; and Mike Weber, MBA '91, economist with the Internal Revenue Service. Not shown is the other member of the committee, Commander Loren Heckelman, MBA '89, of the Supply Corps, U.S. Navy.*

Club of Washington, D.C., which has approximately 600 members. Anyone wishing to contact the B-School Society of D.C. may call Loren Heckelman at (703) 681-0465, Mike Weber at (301) 933-1059 or the Michigan Club of D.C.'s hotline at (202) 554-0585.



Kippy Piedici, president of the Michigan Alumni Club of Washington, D.C., chats with Dean B. Joseph White at the first meeting of the Business School Society of the Washington Club.

Alumni Activities

Martha Seger Receives Alumni Achievement Award

Martha Seger, BBA '54, MBA '55, Ph.D. '71, received the 1994 Alumni Achievement Award at Commencement ceremonies in April. The award was established in 1989 by the Alumni Society Board of governors to recognize a graduate whose professional attainments have brought distinction to themselves, credit to the School and benefit to their fellow citizens.

Dr. Seger is a financial economist and former governor of the Federal Reserve Board, on which she served from 1984-1991.

She was the first woman ever appointed to a full term (appointed by President Ronald Reagan), and at the time of her resignation in March, 1991, she was the senior member on the Board. Before entering public service, she taught finance and economics at three universities, including the University of Michigan. She took a two-year leave from teaching to serve the State of Michigan as Commissioner of Financial Institutions in 1981-82. Earlier, she was in commercial banking for ten years, serving primarily as vice president and chief economist for Detroit Bank & Trust (now called Comerica).

She is a member of ten corporate boards, including those of Xerox, Amoco, Kroger and Johnson Controls. She has received a number of honors, including five honorary degrees. She received the Athena Award, given to the most outstanding alumna of the University of Michigan, and was selected by the National Women's Economic Alliance for a Director's Choice and Excellence in Leadership Award, given to women corporate directors. In November, 1992, she was inducted into the Michigan Women's Hall of Fame.

Past recipients of the Alumni Achievement Award are: Eugene B. Power, BA '27, MBA '30 (1990); L. William Seidman, MBA '49 (1991); Robert Briggs, AB '25, MBA '28, HON LLD '69 (1992).

Second Annual European Symposium Held in Denmark

Michigan Business School alumni from all over Europe attended the second annual Symposium held in conjunction with a meeting of the European Michigan Alumni Club (EMAC) in Copenhagen in May.

The Symposium included a report on the Michigan Business School by Dean B. Joseph White; a talk entitled "A National Quality Index" by Claes Fornell, Donald C. Cook Professor of Business Administration and Professor of Marketing (for more on this index, see page 2); and a talk on "Strategic Quality Management" by Kim Cameron, professor of organizational behavior and human resource management. These were followed by Jan Carlzon, former Chairman of SAS Airlines, who spoke on "Service-Oriented Leadership," and Professor of Corporate Strategy C.K. Prahalad, who spoke on "Global Opportunities in the Asian Century."

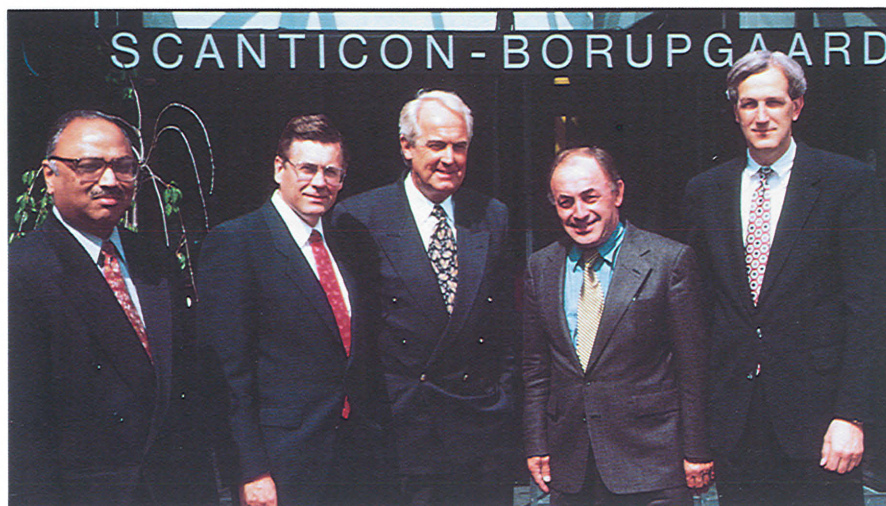
The following day, EMAC members were welcomed by Claus Madsen, MBA '63, EMAC president and managing director of CPS A/S in Denmark. They heard a talk on "Restructuring Human Resources for the Competitive Environment of the '90s" by Professor Kim Cameron; a presentation of the Michigan Business School's International Strategy by Dean White and Senior Associate Dean Paul Danos; and a series of short presentations by representatives of Executive Education, the William Davidson Institute, the Europe Project Course, and the Global Leadership Program. These presentations were followed by the EMAC business meeting.

EMAC is also publishing a newsletter. Nick Crosby, MBA '90, editor of the publication, asks European alumni to "bombard" him with ideas, comments, articles, and suggestions. His address is Nicholas Crosby, Flat B, 15 Avonmore Road, W14 8RP London, England.



Alumni at the European Symposium

Enjoying a discussion over lunch at the European meeting are Stephen Willis, MBA '78, group treasurer of Kuwait Petroleum International, who is based in England; Staffan Ekelund, EE '91, controller of KF in Sweden; and Paul Watts, director of GEC Management College in England.



Making presentations at the European Symposium were (left to right) C.K. Prahalad, the Harvey C. Fruehauf Professor of Business Administration and Corporate Strategy; Claes Fornell, the Donald C. Cook Professor of Business Administration and Marketing; Jan Carlzon, former Chairman of SAS Airlines; Claus Madsen, MBA '63, president of the European Michigan Alumni Club; and Dean B. Joseph White.



Getting together to talk business during the EMAC meeting were Josep Messa, MBA '87, director of Ramel S.A. based in Spain; Michael Wolff, MBA '92, an executive with Morgan Grenfell in Germany; Karim Bitar, MBA '92, an associate with McKinsey & Co. based in Italy; and Natalie Grinblatt, MBA '87, assistant director of admissions at the Michigan Business School.

A

MONG OURSELVES

New Chair Endowed by Dale Dykema, MBA '57



Dale Dykema, MBA '57, founder of a new endowed professorship at the School.

Dale L. Dykema, MBA '57, co-founder and chairman of T.D. Service Financial Corporation, has made a \$1.2 million gift to endow the Dale L. Dykema Professorship at the Michigan Business School. A major goal of the School's five-year "The Point is the People" campaign is to establish 12 such chairs. The Dykema professorship

is the seventh to be created since the campaign was launched in fall, 1992.

Often, a donor endowing a chair will direct the gift to a specific academic discipline or personal area of interest. Dykema's undesignated gift allows the Business School maximum flexibility to choose a deserving recipient.

"An endowed professor-

ship is a crowning achievement in academic life," said Dean B. Joseph White. "Our ability to confer such a distinction allows us to retain or attract outstanding teachers/ scholars to our faculty. Mr. Dykema's great generosity will aid our efforts tremendously."

According to White, there are several senior faculty deserving of named chair recognition, although no decision has been made on who the first holder of the Dykema professorship will be.

Dale Dykema grew up in Grand Rapids, and always knew that Michigan was where he wanted to go to college. "They had great football teams, great academics, great tradition. There was never any doubt in my mind that Michigan was *the* school to attend."

After a four-year stint in the Air Force, where he taught Russian and eventually commanded a radio surveillance unit in Germany, Dykema returned home to earn his BA at Calvin College. He then attended the Michigan Business School on a tuition grant. At Michigan, Dykema focused his education on personnel and labor relations. Unable to find immediate work in his field

after graduation, he accepted a "temporary" assignment with a California title company.

Nearly seven years later he left to co-found T.D. Service Financial Corporation. Today, he owns 90% of this privately held real estate services holding company which includes five subsidiaries in the western U.S. and select operations nationwide.

Dykema attributes his business success largely to his willingness to take risks.

"I love the act of creating businesses," he said. "But to be a successful entrepreneur you must be able to evaluate risks rationally and then capitalize on the best opportunities. I come from a family of farmers. Farming is an endless succession of calculated risks. My impulse toward risk-taking is an acquired trait."

Dykema's entrepreneurial spirit was nurtured by his Michigan B-School experience. "The thorough, broad-based MBA education I got at Michigan gave me the confidence that I could do anything I set my mind to. My decision to endow a professorship at the Business School was my way to repay Michigan for the opportunities it gave me."

Plan for Chameleon Beverage Co. Wins 11th Pryor Award

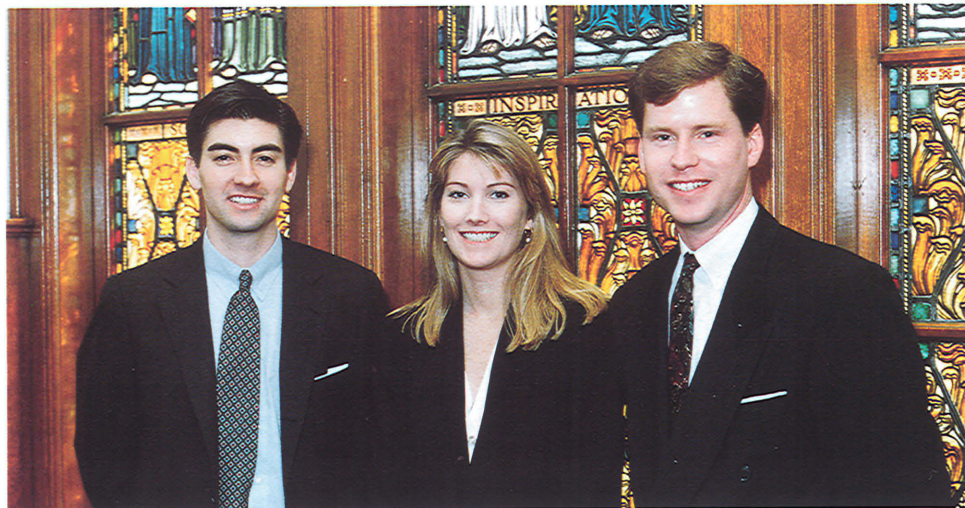
When second-year MBA student Derek Reineman signed up for Professor Andrew Lawlor's classes in start-up ventures and writing a business plan, he wanted to work on a project to determine the viability of starting a company that would custom label and distribute micro-brand beverages (water, wine and beer).

His first assignment in the class was to recruit a management team, and he did not have to look far. He recruited two classmates — Coleen Kuehn and John Hull — and together they developed the idea and wrote a comprehensive business plan for a company they named the Chameleon Beverage Company.

This spring, the group was notified that they had won the 11th annual Pryor Award, established with a \$50,000 grant to the School from Millard H. Pryor as a challenge to "commit the entrepreneurial dreams of students to paper."

The three students also represented the Michigan Business School at the Midwestern Business Plan Competition sponsored by the University of Nebraska at Lincoln, Nebraska.

Business plans that compete for the Pryor Award are first evaluated by two Ph.D. students who read the plans and choose finalists. The finalists then present



their idea for a strictly monitored 20 minutes to five judges who are venture capitalists and entrepreneurs. This year, the judges included: Herbert Amster, consultant to TriMas; James Buhr, MBA '74, senior vice president, McDonald & Company Securities, Inc.; Ian Bund, Managing Director of MBW Management, Inc.; Mary Campbell, MBA '79, Partner, Enterprise Development Fund; and Richard Rogel, BBA '70, CEO of PPOM, Inc. The plans are judged on their conceptual innovativeness, clarity, and practicality of marketing and production methods. The Pryor award competition is open to all undergraduate or graduate students who are registered during the academic year.

The winners were recognized at a special award luncheon on April 8 at the Michigan League. The gathering was attended by U-M professors, award committee members and judges, as well as Mr. and Mrs. Pryor, benefactors of the award.

▲ *Winners of the 11th annual Pryor Award are second-year MBA students (left to right) Derek Reineman, Colleen Kuehn, and John Hull. The three won for their business plan to custom label and distribute micro-brand beverages.*

Doctoral Program Implements Several New Initiatives

A new individualized program that allows doctoral students to customize their Ph.D. studies has been implemented.

The individualized program is designed for very talented individuals who want to work with a small group of faculty members in any area or areas of the Business School. For example, a student might apply to study behavioral implications of management information systems, and work with faculty members in computer and information systems, organizational behavior, and the psychology department under the umbrella of this individualized program. The new program would permit innovative program design and cross-functional specializations.

The new program joins the six other areas of concentration, which are

accounting, finance, marketing, organizational behavior, corporate strategy, and international business.

Students in the individualized program would be advised by a faculty mentoring committee convened especially for that student's interests and background. The same committee would design preliminary examinations, a research requirement and a process for designing a dissertation.

The doctoral program at the Business School has also instituted a three-course sequence on behavioral research methods, and a two-course sequence in economic analysis of investment decisions under uncertainty. These courses will give students from various areas in the Business School a strong and common grounding in research methods and economic analysis.

Conference Considers Information Technology and the Organization

A working conference to stimulate dialogue on issues concerning emergent organization processes and information technology was held at the Business School this summer.

The conference was organized around four themes, each of which consisted of two paper sessions and one panel session. Two of the themes also had a focus panel. The themes were: Transforming the Organization: Keys to Success; Applications of Information Technology Underlying New Emergent Forms of Organization; Impact of Emergent Forms of Organization on the Information System Function; and Approaches to Integrating Information Technology into Human Organizations.

The conference attracted over 70 paper submissions from all over the world. Twenty papers were selected in a double-blind refereeing process involving two to four referees for each paper. The four themes around which the conference was organized emerged from the accepted conference papers.

Some of the papers were empirical studies of one or more organizations embracing new information technology, permitting them to facilitate organizational change or constrain it; others consisted of case studies of



Gregory Fox

Participants from 22 countries attended the conference on "Information Technology and New Emergent Forms of Organization" held at the Business School in August. Pictured chatting during a break are: (left to right) N. Bjørn-Anderson of the Copenhagen Business School in Denmark; Gianmario Motta of the University of Carlo Cattaneo, Italy; Fernande Faulkner of the United Nations, Information Technology Secretariat; Ojelanki Ngwenyama of the U-M Business School, who was the organizing chair of the conference; Hans Oppelland of Erasmus University in Rotterdam, The Netherlands; Kalle Lyytinen of the University of Jyväskylä, Finland; and Lucy Suchman of Xerox PARC.

multi-billion dollar corporations that have, in effect, "bet the farm" on becoming learning organizations.

The four panel sessions considered managing emerging forms of organization; researching the impact of technology on new organization forms; reinterpreting social phenomena in organizations and implications for information technology; and the electronic network organization.

Because of the way the conference was designed, participants were able to choose several strategies in planning their activities. For example, if they chose to follow a theme strategy, they would attend the plenary sessions and choose two themes to follow during the remaining sessions. This would provide a mix of all types of sessions following particular themes. Someone

following a paper strategy could attend the plenary sessions and only paper presentations, which would allow her or him to have an overview and hear discussion of all papers in all four themes. An alternate strategy would be to attend the plenary sessions and only panel presentations, which would provide extensive discussions of all four themes.

The organizing committee included Richard J. Boland, Jr. of Weatherhead School of Management, Case Western Reserve University, general chair; Ojelanki Ngwenyama of the Michigan Business School, organizing chair; Steve Smithson of the London School of Economics, program chair; and Richard Baskerville of the School of Management at SUNY Binghamton, program chair.

Collegiate Professorship Established to Honor Prof. Alfred Edwards

The Alfred L. Edwards Collegiate Professorship in the School of Business Administration has been approved by the U-M Regents.

"This professorship is being established as the result of numerous gifts and pledges from friends and corporate and alumni donors," said Dean B. Joseph White. "The purpose of the professorship will be to further the professional development of minority students and to honor Alfred L. Edwards' long and distinguished career as an esteemed educator.

"Dr. Edwards' years at the U-M were the capstone of a distinguished and diverse career in business education, spanning over 40 years of teaching and research at universities and government agencies.

"In his tireless efforts on behalf of minority students, Dr. Edwards was instrumental in developing the LEAD program which introduces outstanding minority high school students to career possibilities in business, economics, finance, and management. He was also a long-time member of and advisor to the Consortium for Graduate Study in Management, a nationwide program which encourages underrepresented minorities to pursue graduate study for positions in management."



Gregory Fox

Dean B. Joseph White greets Mary Kay Haben, MBA '79, as she is about to deliver the commencement address at the Business School.

Mary Kay Haben, MBA '79, Gives Commencement Address

Mary Kay Haben, MBA '79, president of Churny company, gave the commencement address for the Business School graduation this year.

Current students who have met Haben, as well as Michigan alumni at Kraft who work with her now, emphasize that she exemplifies the type of strong dynamic leadership Michigan alumni are known for. As president of Churny company, a \$170 million specialty cheese division of Kraft USA, she oversees manufacturing acquisitions, marketing, sales, and financial control. Last year, Callard & Bowser-Suchard, Inc., a \$40 million specialty confections business, was acquired by Kraft and added to her responsibilities.

She has been recognized by both industry and company awards. *Advertising Age Magazine* named her as one of 100 "Best and Brightest Women" in

marketing and advertising. *Crains' Chicago Business* put her on its list of "40 People Under 40" to watch. She has received several Kraft awards, including the President's Award of Excellence and the President's Leadership Award of Excellence.

Her life beyond her career is equally accomplished. She established a women's network at Kraft which serves as a resource and support group to help working parents maximize success at parenting and in their careers and to influence company policy to better meet the needs of working parents. She chairs the Business School's Alumni Board of Governors and is an outstanding example of alumni commitment. She is active in her community, and, as a wife and mother of two children, she also serves as a role model for balancing family life with a successful professional career.

Professor Kinnear Chosen Interim VP for Development

Thomas C. Kinnear, the D. Maynard Phelps Professor of Business Administration, has been appointed interim vice president for development at the U-M. The appointment took effect September 1 and will be effective for two years.

In his new position, Kinnear will be responsible for administration of the U-M Office of Development, and will act as development counsel to the Board of Regents, the president, and the policy-making bodies of the University. The University's \$1 billion Campaign for Michigan, begun in 1992, is scheduled to run through 1997.

"I am pleased that Tom Kinnear has agreed to take a leave of absence from his faculty position to serve as interim vice president for development," said

U-M President James J. Duderstadt. "As senior associate dean of the U-M School of Business Administration, he was a strong and committed manager. As head of the Executive Education Center at the Business School, he proved himself to be a firm and visionary leader."

Kinnear holds an MBA degree from Harvard and a Ph.D. in business administration from the U-M. His teaching and research interests have focused on marketing planning and research. He is the author of numerous scholarly articles and books and has served as editor of the *Journal of Marketing* and the *Journal of Public Policy and Marketing*.

Mr. Utsumi Gives Mitsui Lecture



Gregory Fox

Pictured at the reception following the lecture he gave as part of the Mitsui Life Distinguished Lecture Series is Yoshio Utsumi, second from right, director-general of the international affairs department of the Japanese Ministry of Posts and Telecommunications. His speech was entitled, "Telecommunications and the U.S.-Japan Trade Relationship."

Students Raise \$122,000 for School

"Impact Tomorrow by Investing Today," (IT)², was the theme of this year's Student Pledge Campaign which raised \$122,000 in gifts and pledges for the School. The 1994 Campaign marks the fifteenth year of the program, and during that time, more than 5,000 students have made a pledge of financial support to ensure the future strength of the Business School.

This year, over 64% of the graduating MBA students and about 40% of graduating BBA students participated in the Campaign.

Dollars from the Student Pledge Campaign are part of the Annual Fund. These dollars, because they are undesignated, allow the School to seize unexpected opportunities when they arise. They also help support a broad range of essential, day-to-day operating needs, student and faculty development, and innovative educational programs that complement classroom instruction.

Student co-chairs for the Campaign were Pappy Brey and Gail Van Cleave for the MBA/MAcc programs, and Jonathan Kadin and Crista Shaw for the BBA program.

"We've all invested a substantial amount of time, money, hard work and opportunity costs in Michigan," commented Randall Hernandez, MBA '94.

"Because every dollar we raise is used to support quality education at Michigan, every gift helps preserve the value of our educational investment."



Gregory Fox

Keith Alessi, MBA '79, talked to students about what the Business School has meant to him and why it's important to him as an alumnus that current students are giving to the School. He is pictured here (left), front row, along with BBA and MBA students who served as co-chairs of the 1994

Student Pledge Campaign. (IT)², which stands for the motto of the 1994 Student Pledge Campaign, Impact Tomorrow, Invest Today, was printed on buttons and handed out during Campaign events.

Dividend Celebrates 25th Year



D. C. Goings

Pringle Smith, editor of Dividend, (center) is pictured with Dean B. Joseph White (left) and U-M Provost Gilbert R. Whitaker, Jr. at a reception held to honor her on the 25th anniversary of Dividend, whose first issue was published in 1969. She is holding the plaque given to her on that occasion in recognition of her "pursuit of innovation and the creative vision that inspired 25 years of journalistic excellence."

Conference on Franchising Held at Business School

Leading scholars on economic organization and contracting were at the Business School this spring to discuss the latest research on the governance and regulation of franchising. The conference was co-sponsored by the Business School and the Center for Research on Contracts and the Structure of Enterprise at the University of Pittsburgh. More than 20 universities were represented.

Session one was devoted to risk, capital and governance. Papers discussed the role of risk in franchising and whether franchising is a capital structure issue.

The second session focused on property rights, rents and incentives. Papers discussed ownership rights and incentives in franchising and returns to franchising.

The final session of the conference discussed the effects of regulation on franchise contracting and performance. Papers considered aspects of regulating the franchise relationship and exclusive dealing and gasoline franchising.

Sinha Wins Kendrick Award



Gregory Fox

Indrajit Sinha, (right), winner of this year's Milton and Josephine Kendrick award, is pictured with Milton Kendrick, who founded the award to recognize the importance of theoretical scholarly work among doctoral students in marketing. Sinha's Ph.D. research is on the role of price perceptions on consumer decision making processes. Before entering the Ph.D. program, he was a staff consultant for Deloitte & Touche. Kendrick graduated from the U-M in 1929 and had a distinguished career with Michigan Consolidated Gas Company before retiring in 1970.

Nine Faculty Members Promoted

Promotions of nine faculty members have been approved by the Regents as follows:

Jane Dutton, to professor of organizational behavior and human resource management; and Edward Snyder, to professor of business economics.

Charles Lee, to associate professor of accounting with tenure; M.P. Narayanan, to associate professor of finance with tenure; and Bernard Yeung, to associate professor of

international business with tenure.

Promotions to associate professor without tenure included Eugene Anderson, to associate professor of marketing; Ronen Israel, to associate professor of finance; Peter Lenk, to associate professor of statistics; and Paul Seguin, to associate professor of finance.



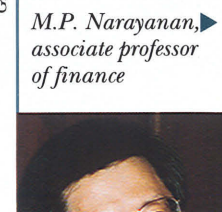
◀ *Edward Snyder, professor of business economics*



Jane Dutton, professor of organizational behavior and human resource management ▶



◀ *Charles Lee, associate professor of accounting*



M.P. Narayanan, associate professor of finance ▶



◀ *Bernard Yeung, associate professor of international business*



Douglas McClintock, managing partner, Arthur Andersen & Co. (right), and Dean B. Joseph White present a plaque representing the new Arthur Andersen Faculty Fellowship to its first recipient, Shannon Anderson, assistant professor of accounting.

Arthur Andersen & Co. Establishes Faculty Fellowship

A new faculty fellowship has been established with a gift of \$1 million, to be contributed over five years by Arthur Andersen & Co. and Andersen Consulting.

The Arthur Andersen Faculty Fellowship is to be awarded in recognition of early career achievement and to encourage further achievements in teaching and research.

The first winner of the Arthur Andersen Faculty Fellowship is Shannon Anderson, assistant professor of accounting. She graduated with a B.S.E. cum laude from Princeton; and did her Ph.D. at Harvard University. She joined our faculty in 1992. Her research interests include manufacturing performance measurement and cost system design and implementation. She is also interested in management



Gregory Fox

Douglas McClintock, BBA '68, MBA '69, managing partner, Arthur Andersen & Co. (right), and Dean B. Joseph White present a plaque representing the new Arthur Andersen Faculty Fellowship to its first recipient, Shannon Anderson, assistant professor of accounting.

accounting for firms in transitional economies, and this aspect of her research is being sponsored by the William Davidson Institute.

A luncheon was held in the spring to thank Arthur Andersen & Co. and Andersen Consulting for their gift and to present

Shannon Anderson with the Faculty Fellowship. At that luncheon Dean B. Joseph White said to the donors, "By supporting faculty, you do the most to help us become a great business school, because an excellent faculty is at the heart of our enterprise."

Class Notes

50 Robert A. MacKay MBA '50

is now retired from the Clorox Company and writes that he is actively involved with volunteer activities, including the United Way in the San Francisco Bay area. He is a CPA, and worked as a volunteer executive with International Executive Service Corps, which assigned him to work in Africa. For three months in 1991 he worked in Malawi, and in 1993 was in Zimbabwe for three months.

55 James E. Olson BBA '54, MBA '55

was elected the 1994-1995 president of the Estate Planning Council of San Diego, a chapter of the National Association of Estate Planning Councils. He is an agent for Northwestern Mutual Life and lives in San Diego.

56 Lawrence H. Brown BBA '56

retired in 1989 after a 31-year career with the Northern Trust company, where he worked in his final years as senior vice president and head of the capital markets department. He says he finds retirement anything but boring. He is a director of a number of Nuveen exchange-traded securities and open-end municipal bond funds, and is also president of the public library in Highwood, Illinois. He is the proud grandfather of six, ranging in age from 11 to 3.

58 Bruce Evans MBA '58

has completed 25 years of service as an associate professor of management at the University of Dallas. There his original project-driven capstone class for graduating MBAs has now produced 96 successful studies. He and his wife Sally have just celebrated their 37th wedding anniversary.

66 David F. Reed BBA '66

writes that he is retired on disability because of a stroke he suffered in 1976. He is now living in Clinton, Michigan.

68 James Bayson BBA '68

has been elected to a three-year term on the board of directors of the Michigan Association of CPAs (MACPA). He is a partner at Plante & Moran in Southfield, where he is chair of the audit practice committee, the retail dealer industry group, and head of SEC practice. The MACPA serves more than 13,500 CPAs in Michigan through its educational and professional programs.

David Hartman BBA '64, MAS '65

Selected President of the American Academy of Actuaries

David Hartman, BBA '64, MAS '65, senior vice president and chief actuary of the Chubb Group of Insurance Companies in



Warren, N.J., is now serving as president of the American Academy of Actuaries. This 12,000-member organization brings together actuaries of all specialties (casualty, health,

life and pension) into one group that addresses public issues on behalf of the entire profession.

The Academy has recently produced a series of monographs on various aspects of health-care reform for use by policymakers in Washington.

Dave is also a member of the board of trustees of Overlook Hospital in Summit, N.J. and is a member of the Advisory Board of Athletes and Business for Kids, a national organization based in Washington, D.C.

Dave completed our Executive Program in 1994 and says, "It is an excellent course."

73 Mitchell L. Laine, CPA BBA '73

writes that he has received the Frank L. Greathouse Distinguished Leadership Award, given by the Association of Government Accountants (AGA), a 12,000-member professional organization for government financial managers in the U.S. and abroad. The award is given to individuals in government service who have demonstrated sustained outstanding leadership in financial management — and Laine was specifically recognized for his "innovative concepts for involving program managers in stewardship responsibilities, his ability to develop accounting and auditing policy guidelines and for his contributions to the education, auditing and accounting communities." He is currently chair of the chief financial officers' council committee on financial statement preparation and audit, and participates on the federal credit policy working group, the FASAB investment task force and the GASB college and university task force. In January, 1992, President Bush conferred on Laine the rank of distinguished executive in the senior executive service.

76 Mark R. Zingle MBA '76

writes that the company of which he is president, AZ Advisory Group, Inc., has expanded by purchasing Human Relations Consultants, a 17-year old human resource firm located in Minneapolis. AZ Advisory Group is an insurance and employee benefits consulting firm, and Zingle has BA and MBA actuarial degrees from U-M. Because of the purchase, compensation and related personnel services now will be integrated with employee benefits, actuarial, and software development, according to Zingle. A resident of Eagan, Minnesota, his experience spans two decades at the Wyatt Company, Allianz Life of North America, and Ministers Life, including officer positions in marketing, operations and actuarial. The newly expanded company is located in St. Paul, Minn.

77 Jonathan Colman BBA '77

has been in the manufactured housing community segment of the real estate

business for the last 12 years. During that time, he has been involved in the acquisition, financing and management of over 50 communities. He recently joined Sun Communities, Inc., a newly founded real estate investment trust specializing in manufactured housing communities, as vice president, acquisitions. He previously worked in public accounting with Touche Ross & Company for four years. He writes that he still attends Michigan football and basketball games when his schedule allows.

79 Ronald I. Heller
MBA '79, JD '80

has been elected to the presidency of the Hawaii Society of CPAs (HSCPA), a non-profit professional alliance of CPAs whose goal is to promote high standards of integrity and competence in the accounting profession. He is the first attorney elected to lead the organization. He currently practices in the areas of taxation, tax litigation and business litigation at the law firm of Torkildson, Katz, Jossem, Fonseca, Jaffe, Moore & Hetherington in Honolulu. He is the author and instructor of "Hawaii Taxes—A Basic Course" and is a past chairman of the tax committee of the Hawaii Society of CPAs.

80 David Tehle
MBA '80

was recently appointed vice president finance, C.F.O. of Hat Brands, Inc., a large independent manufacturer of headwear, whose products include Stetson and Resistol western/dress hats. He previously served as vice president finance for Ryder Aviall, the aviation division of Ryder System, Inc., and has spent the last 11 years in Dallas, where he is active in the Dallas chapter of the U-M Club.

81 Jeff Sinclair
MBA '81

has been elected a director of McKinsey & Company, a major management consulting firm with 60 offices located throughout the world. With his election, Jeff is now one of the roughly 150 senior partners in the firm. Since joining McKinsey in 1981, Jeff has focused most of his attention on serving industrial clients, with particular emphasis on the automotive industry. He is responsible for leading McKinsey's worldwide automotive practice, and is also a member of the leadership group of the firm's operations effectiveness practice. Jeff and his wife, Celia, live in Shaker Heights, Ohio, with their children, Matthew (9) and Caitlin (6).

Roberto de Ocampo, MBA '70

Is Now Secretary of Finance in the Republic of the Phillipines

Robert F. de Ocampo, MBA '70, is now secretary of finance for the Republic of the Phillipines. He comes to the position from being the chairman and CEO of the Development Bank of the Phillipines, the country's largest and primary financial institution for medium and long-term lending, particularly to industry. He was appointed to this position in 1990.

In 1988, he was appointed the youngest COO of the Development Bank of the Phillipines. In 1985, he became the first Filipino to be appointed senior loan officer in the World Bank. In 1975, he was appointed administrator of the National Electrification Administration of the Phillipines.

He is now also a governor of the World Bank Board of Governors, a Governor of the Asian Development Bank Board of Governors, and a Governor of the Multilateral Investment Guarantee Agency. He is an alternate governor for the International Monetary Fund and chairman of the Coordinating Council for the Philippine Assistance program.

82 Joseph J. Krejci
BBA '80, MBA '82

writes that after eleven years at Whirlpool, he joined Maytag as manager, transportation in December of 1993. He is living in Newton, Iowa.

G. Scott Haislet
BBA '82

writes that he is the president and sole shareholder of Lafayette Exchange Corporation, which also does business as LEC Mortgage in the San Francisco Bay area. He is involved in a wide variety of ordinary and exotic real estate exchange and financing transactions through the U.S. He is a CPA and funded \$25 million in real estate loans in 1993. He says he is on track to exceed that amount in 1994. He is the author and presenter of a continuing education seminar for real estate and tax professionals entitled "Real Estate Financing and Tax Strategies for the 90s."

83 Jeff Kaminski
BBA '83

has been appointed managing director, F-M Australia (Federal-Mogul Pty. Ltd.), effective January 7, 1994. In his new capacity, Jeff will be responsible for aftermarket sales and distribution for Federal-Mogul facilities in Melbourne, Sydney, Brisbane, Adelaide, Newcastle and Perth, Australia. Jeff started work at Federal-Mogul in 1989 as the corporate staff controller and most recently held the position of controller of the International Aftermarket Division. Jeff and his wife Sue now live near Melbourne, Australia with their four children.

John J. Bruce
BBA '83

writes that he recently accepted a job as divisional controller for Catholic Charities of the Archdiocese of Chicago.

Daniel Susik
MBA '83

became assistant treasurer of Ryder System Inc. in Miami, Florida in July, and has moved to South Miami with his wife and three daughters. He says he is looking forward to a warmer winter than they experienced last year in New Jersey.

85 Stuart P. Kaye
BBA '85

writes that after five years of working with At&T in Basking Ridge, New Jersey, helping to manage their pension fund, he has made the move to New York City where he has accepted a position with Chancellor Capital Management. There he works with the investment technology group which manages tactical asset allocation and quantitative equity products. He says, "So far it has been great working here, and I am also looking forward to working in the mentoring program that they have set up with one of the local high schools."

Gary Evonsion
MBA '85

recently joined the investment banking firm of Llama Company in Fayetteville, Arkansas as vice president - corporate finance. He'll be responsible for client development, investment analysis, transaction structuring, negotiating and

closing. Llama Company focuses on raising capital for small and middle market companies.

Don Mulligan
MBA '85

recently moved from Toronto to Hong Kong to assume the senior director of finance position for Pizza Hut's Pacific zone. The territory covers Pakistan to Japan to Indonesia, with the key challenge being to open India and China. He and his wife, Diane, and their four children are getting quickly settled in Hong Kong.

86 Lisa Lennon Pascoe
MBA/MHSA '86

was promoted to the position of vice president at St. Lawrence Hospital and Healthcare Services in Lansing, Michigan in March 1993. She was previously director of physician relations and recruitment. She writes that her husband, D.J., will complete his law degree in May 1995.

Steven Hassevoort
MBA '86, M.Arch '86

has been extended ownership participation in the architectural and interior design firm Diekemas/Hamann/Architects, Inc. of Kalamazoo, Michigan. He has also been elected vice president of the firm, where he serves as director of operations and marketing, and is responsible for corporate budgeting, project monitoring, business development and human resource management.

Nicole Kelly
MBA '86

has founded and is the executive director of Hands On Greenville, a not-for-profit organization in Greenville, South Carolina that creates, leads and staffs a variety of creative volunteer projects designed to attract young, working professionals.

Ted Kennedy
MBA '86

writes that he recently won the 1994 Windows World Open with his entry, the "Molly Maid Customer Care System." The Windows World Open is an international custom software development contest sponsored by Microsoft and Computer-World magazine. This year there were over 2000 entries from around the world in eight different categories. Ted won in

Thomas C. Jones, BBA '68, MBA '71

Named Reinsurance Company President



Thomas C. Jones, BBA '68, MBA '71, has been named president of CIGNA Reinsurance Property & Casualty, a division of CIGNA corporation, the Philadelphia-based insurance and financial services giant with revenues exceeding \$500 million in 1993.

Before joining CIGNA, Jones served for eight years with NAC Re Corporation as executive vice president and COO and as a founding member of that company's board of directors. During his tenure, he assembled and led a multidisciplinary task force charged with revitalizing NAC Re's long-term strategic plan and re-engineering its client development processes. His work in initiating organizational change at NAC Re has been the subject of two recent case studies by the Michigan Business School.

From 1980 to 1985, Jones served in several senior management positions at General RE Corporation, and during that time directed a major reorganization effort involving three General Re Services divisions.

In 1975, Jones was appointed to serve as Michigan's commissioner of insurance, and in that role he directed public policy initiatives involving health care cost containment, automobile and homeowner's insurance reform, and regulations minimizing the risk to policyholders affected by financially troubled insurance companies.

the Healthcare/Services category. All the winners were presented with trophies by Bill Gates of Microsoft, and were featured at a special booth throughout the Comdex/Windows World convention. He was also appointed vice president of franchise support for Molly Maid, a residential maid service franchiser based in Ann Arbor, which is the second largest in the industry. It has over 100 franchises throughout the country and is adding more than one new franchise each week. The software Ted developed is also being used by Molly Maid of Canada and Molly Maid of the United Kingdom.

Eric Haviland
MBA '86

has been promoted to director of marketing for Pizza Hut International. In this new role, he will assume responsibility for all key marketing planning and execution functions for Pizza Hut's international business and report to the vice president of marketing for Pizza Hut International. His responsibilities will include the integration of marketing plans for all of Western Europe and the Far East; development of marketing strategies for Latin America, Eastern Europe and the former Soviet Union; development of global promotions; and the introduction of new products into international markets. Eric served most recently as director of marketing, new product development. He is credited with leading the development

team for Bigfoot Pizza, developing the plan to revitalize Pizza Hut's Dine-In business, and numerous other new product initiatives. Before joining Pizza Hut, he spent six years with the Pillsbury Company, where he was brand manager for their frozen pizza business. He has studied international business and philosophy at the American International University in London, England.

88 Arch Wright
BBA '88

has relocated to Colorado to originate residential mortgage loans in the skiing and golf Mecca of Vail. As loan officer at First Western Mortgage Services, Inc., he works with clients from around the world, arranging financing on second homes and investment properties ranging from \$100,000 to over \$3,000,000. He previously worked with Arthur Andersen & Co. as an auditor and Domino's Pizza as finance manager. He writes that he would enjoy hearing from, and skiing and golfing with, fellow B-Schoolers as they visit Vail.

Charles Pietsch
MBA '88

writes that he is enjoying work with Alcon Laboratories as a senior product manager in their vision care group. He is currently living in Dallas and urges any section 5'ers in the area to give him a call.

89 Anne Sigillito
BBA '89

recently graduated from the Fuqua School of Business at Duke University and has accepted the position of business analyst with Lenox (makers of Lenox China.)

90 Christopher Park
MBA '90

is pleased to announce that he has accepted a position as a senior consultant with Deloitte and Touche Management Consulting in Detroit.

Paul A. Roberts
BBA/MAcc '90

writes that he graduated from Boston University Law School in May 1993. While in law school he published "International Funding for the Conservation of Biological Diversity: Convention on Biological Diversity" in the *Boston University International Law Journal*. He is currently a tax associate in international tax in the San Francisco office of Coopers & Lybrand. He and his wife, Sarah have a new son, Andrew, born January 8, 1994.

91 Todd E. Freier
BBA '91

has recently accepted an invitation to become a Peace Corps volunteer in Botswana, Africa. He will serve as a brigades business manager. His primary responsibilities will include promoting entrepreneurial skills and instructing business management courses. He will serve for two years.

Maria Jelecki
BBA '91

has been named advertising projects supervisor for La-Z-Boy Chair Co. and in that position will work directly with Kevin Wixted, director of advertising and public relations, developing national consumer and retail advertising programs for the La-Z-Boy residential division and its dealers. In addition, she is responsible for supervising the company's public relations program and serves as liaison between La-Z-Boy and its outside agencies. She comes to La-Z-Boy from Ross Roy Communications of Bloomfield Hills, Michigan, where she spent the past three years working on the La-Z-Boy national advertising account as account administrator, assistant account executive and most recently as account executive. She currently lives in Royal Oak, MI.

Kyra Hicks
MBA '91

writes that her avocation of creating story quilts is still progressing and that she has had her first sale. She says she was also in two group exhibits this year, and has started to make bed quilts (story of course).

Andrew L. Singer
BBA '91

has received a J.D. degree from the George Washington University National Law Center. He graduated with honors and is now working at the New York law firm of Brown, Raysman, & Millstein. The firm serves high technology and computer companies in litigation and technology related transactions.

Brian G. Muma
MBA '91

has been promoted to senior consultant at Plane & Moran, a large Michigan-based accounting and management consulting firm. He joined the firm's management consulting department in 1991, and is based in the Southfield office, specializing in human resource management.

Brian A. Heller
MBA '91

has graduated from Boston University School of Law (JD '94), and has accepted a job as an associate attorney with the law firm of Shearman & Sterling. He will be working in their New York City office in the corporate department.

Stephanie Brett Hanks-Tingley
MSIOE/MBA '91

was recently promoted into Exxon Marketing Fuel Products as a maintenance and compliance engineer, South Texas division. She writes that this move puts her into a better position to use her engineering education. She started with Exxon in a human resource capacity at their Baytown Refinery. On a personal note, she adds that she and her husband, Paul Tingley, also an MBA graduate from Michigan, have completed renovating an old home and are in the process of selling it. Paul works for the Staubach Co., Roger Staubach's real estate consulting firm. They live in Houston, Texas.

Kerry G. Knight
BSE SE '70, MBA '91

has been named vice president of marketing and technology of Luk, Inc., an

international automotive powertrain components supplier. Luk, Inc. is an independent U.S. subsidiary of Luk, GmbH in Germany. Total world sales are close to \$1 billion. The U.S. contributes over 10% and is growing fast. He was formerly chief engineer, and before that he was program manager. He writes, "Luk is a very demanding company, privately held, and growing steadily with plants in six countries. It has been an interesting six years." He and his wife of 18 years and two children have recently moved to Wooster, Ohio and are looking forward to life in "Amish Country."

Executive Education Notes

Randolph D. Malueg
EE '85

was recently elected president and CEO of Associated Bank Marshfield (Wisconsin) by the Board of Directors. He has been with the bank since 1982, has worked in the banking industry for 27 years, and is a 1985 graduate of the U-M Banking and Financial Services Executive Program. Some of his community activities include: active member of the Marshfield Rotary Club, Marshfield Elks Lodge 665, director for the Marshfield area Chamber of Commerce and Industry, greater Marshfield area YMCA, member and former president of Faith Lutheran Church, and United Way volunteer. He and his wife, Terri, are the parents of three daughters: Lisa Sharon, Robin, and the late Tamara.

Theodore A. Roehrig
PUEP '84

writes that he is retiring early from PECO Energy (formerly Philadelphia Electric Co.) but hopes to stay active somewhere in the utility industry. The "peanut butter kid" still has the same sense of humor, successfully using his stage presence as manager of training for PECO's power generation group after 30 years in gas and electric operations.

PHD Notes

Carol Frost
MBA '85, Ph.D. '89

has been promoted to associate professor of accounting at Washington University, St. Louis. Her current research focuses on international accounting and

auditing issues, and has provided a number of interesting applications for the capital-markets training she received from Vic Bernard at Michigan. During the calendar year 1994, she has been on part-time leave to Coopers & Lybrand in New York City. As a member of C&L's Technical Support Group, she's working on a number of issues related to developing and coordinating a large and rapidly growing international professional services practice. She was also named a KPMG Peat Marwick Faculty Fellow for 1991-92. She lives in University City, Missouri with her husband (Clarke Cogsdill) and two daughters.

Ken Hardy
MBA '66, Ph.D. '69

received the R.A. Barford professorship in marketing for the Western Business School, located in London, Ontario in July 1992. In July 1993 he became associate dean of research, which involves managing the R&D activities for the school, case and publications Services, the *Business Quarterly*, doctoral program, and the human resource management function for four of the eight faculty groups. He writes, "This school has enormous potential."

Deaths

George Quelette, member of the business administration class of 1928, died peacefully in his sleep on April 18 in Ocala, Florida. He was 90 years of age. News of his death was sent to us by Ed Snell, alumni president of the class of 1928.

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Calendar

October 13
Business School Society of the U of M Club of Washington, D.C.
Speaker: Robert Shapiro, Deputy Vice Chairman of Tax Services, Price Waterhouse

October 20
Business School Committee of the U of M Club of Cleveland
Speaker: David Hoag, CEO, LTV Steel

October 28-29
Reunion Weekend

November 11-12
Eighth Annual Real Estate Forum

November 17-18
Chicago Recruiting Forum

January 12-13
Boston Recruiting Forum

March 31
Women's Forum

April 7
Scholarship Dinner

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 48109-1234, we would very much appreciate it.

Name: _____

Degree(s) and Class Years: _____

Business Position: _____

Business Address: _____

Home Address: _____

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

Have you thought of making the Business School part of your estate plan?

A deferred gift to Michigan, in the form of a charitable remainder trust or participation in the Donor Pooled Income Fund, can provide many benefits to you and your family:

- Income for life
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- A charitable deduction
- Expert management with minimal or no fee

Ultimately your gift will help ensure the continued excellence of the Michigan Business School and will be used, at your instruction, for faculty, student or program support.

A bequest is yet another way to provide for the Business School. Bequests to Michigan have traditionally been a major source of support for the University, and a bequest also provides your estate with a charitable tax deduction.

If you would like more information on deferred giving options to benefit the Business School, please return the attached reply card. Or if you prefer, you may call the University's Office of Trusts and Bequests directly at (313) 998-6085. If you would like the most recent summary of the University's excellent record of fund management, you may wish to request on the reply card the *Report of Investments*, issued annually by the Treasurer's Office.

Office of Alumni Relations
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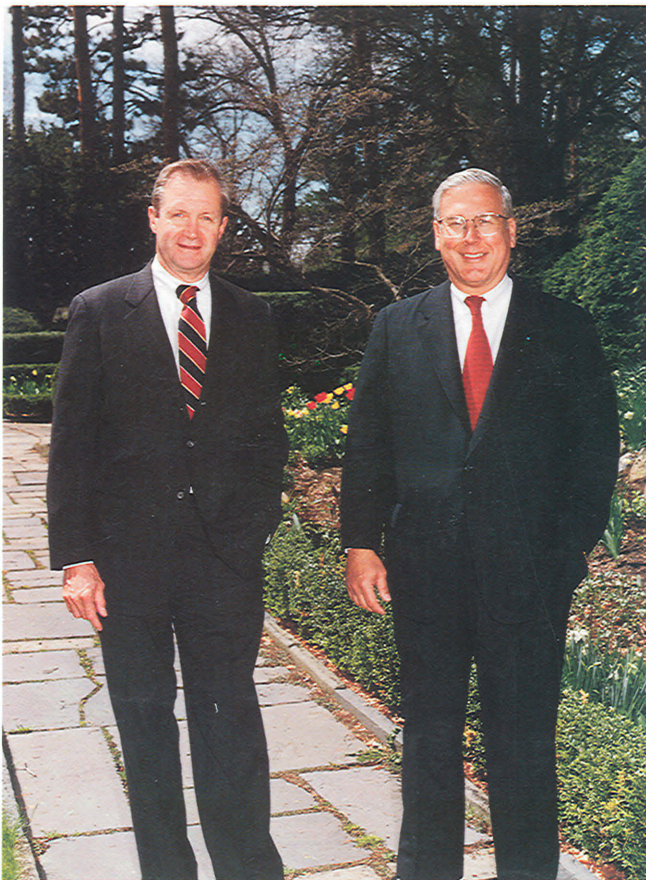
Philip H. Power, Ann Arbor

Nellie M. Varner, Detroit

James L. Waters, Muskegon

James J. Duderstadt, *ex-officio*

B-School Alums are Appointed to the Two Top Posts at NBD Bancorp



Gregory Fox

Two alumni of the Business School — Verne G. Istock, MBA '63, and Thomas H. Jeffs, BBA '60, MBA '61, were recently honored with a luncheon at Inglis House to recognize their new posts of chairman and CEO, and president and COO respectively of NBD Bancorp. The luncheon was attended by U-M President James Duderstadt, U-M Provost and Executive Vice President for Academic Affairs Gilbert R. Whitaker, Jr., U-M Executive Vice President and Chief Financial Officer Farris Womack and B. Joseph White, dean of the Business School.

Istock joined NBD in 1963 as a credit analyst trainee. In 1982, he was promoted to executive vice president of NBD Bancorp in charge of all corporate banking divisions. He was elected a director and vice chairman of the parent company and of the bank in 1985. He became chairman and CEO on January 1, 1994.

Jeffs joined NBD a year earlier, also as a credit analyst trainee, and also was named executive vice president in 1982 and a vice chairman in 1985.

◀ Thomas Jeffs, BBA '60, MBA '61, left, and Verne Istock, MBA '63, are pictured in the garden at Inglis House, where they were honored at a luncheon recognizing their new posts. Jeffs is president and COO and Istock is chairman and CEO of NBD Bancorp.