


Dividend

University of Michigan Business School

Winter/Spring 1997



**Sam Wyly, MBA '57
Launches
New Building
With \$10 Million
Gift to School**

New Program Gives Students Help with Loans If They Work in the Public or Nonprofit Sector

When an MBA student of *Dividend's* acquaintance decided he wanted to work in a nonprofit agency after graduation, he reminded himself forcefully that he owed too much money to consider such an option. To pay off student loans, he needed to make a substantial salary, and that meant working in the private sector.

It was this situation that inspired second year MBA student Greg Gamble to initiate the "Loan Repayment Assistance Program" (LRAP) which will be inaugurated at the UMBS in April.

Gamble did a survey of MBA students which revealed overwhelming support for such a program, and also did an extensive review of similar programs at selected law and business schools across the country. He then wrote a proposal to the Dean incorporating all the information he had gathered. "The idea for a loan repayment assistance program is just an extension of the commitment the Business School has already shown to the non-private sector through the Global Citizenship Program, the MBA Domestic Corps, the Davidson Institute, the African Business Development Corps and the various joint degree programs," says Gamble. "The program will provide support to graduates who want to commit a career to non-private sector causes."



Seed money for the Loan Repayment Assistance Program has been generously loaned to the School by Richard Rogel, BBA '70, former chairman and CEO of PPOM and chair of the School's National Campaign Committee. He is pictured (right) with second year MBA student Greg Gamble, whose hard work was instrumental in getting the program started.

Seed money to get the program started has been generously loaned by Richard Rogel, BBA '70, former chairman and CEO of PPOM and chair of the School's National Campaign Committee. The amount needed to establish the program permanently comes to \$50,000 per year, or an endowment of \$1 million. Similar programs exist at the U-M Law School, the Yale School of Management, the Stanford Business School, and the Kellogg School of Management. Last year, students at the Kellogg school donated their class gift to support such a program.

The LRAP will expand the career options of UMBS graduates by

actively encouraging them to help fill the need for skilled managers in nonprofit and public-sector organizations. In addition, highly-qualified applicants to the School who have non-traditional aspirations may consider the existence of such a program in their decision about which school to attend. This could have significant implications for the UMBS, which prides itself on diversity.

The new program will pay a portion of a graduate's Business School-related educational loan obligations while the graduate is employed full-time in a business or management-related position within the public or nonprofit sector, subject to annual re-application and review.

All recipients will be responsible for satisfying at least some portion of their annual loan obligation, and the amount contributed by the LRAP program will be determined by the individual's financial position and that of his/her immediate family.

Those wishing to contribute to LRAP should send their donations to The Loan Repayment Assistance Program, care of the Development Office, the University of Michigan Business School, 701 Tappan, Room B1235, Ann Arbor, MI. 48109-1234. Checks should be made payable to the University of Michigan Business School.

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Sam Wyly Launches New Building With \$10 Million Gift

Sam Wyly MBA '57, Texas entrepreneur, investor, and self-made millionaire, says his gift is one of thanks. He was the first recipient of a Paton Scholarship which made it possible for him to come to the Business School.

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Our cover portrait of Sam Wyly, MBA '57, was taken in Texas by Danny Turner.

Dean: B. Joseph White, Associate Deans: Edward A. Snyder, George Siedel III, Janet A. Weiss

Editor: Pringle Smith, Contributing Editor: Cynthia Shaw, Design: Kathy Krich, U of M Marketing Communications.

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Sam Wyly Says Thank You With \$10 Million for New Business School Building



Architect's rendering of Sam Wyly Hall.

Sam Wyly—Texas entrepreneur, investor and self-made multi-millionaire—has given the University of Michigan Business School \$10 million for the construction of a much-needed new building. The gift, he says, is one of thanks: Forty years ago, the William A. Paton Scholarship made it possible for Wyly, a member of the Class of 1957, to earn his MBA.

"For me, this gift is an expression of gratitude. I am grateful for the education Michigan gave me and, specifically, for the Paton Scholarship that made it possible for me to get an MBA."

Wyly's gift is the single largest ever made to the school for facilities, and one of the two largest in the school's history. It will cover half of the total anticipated cost of Sam Wyly Hall—a six-story, 75,000-square-foot building containing classrooms, residential and administrative space for Executive Education,

a new headquarters for the William Davidson Institute, and faculty offices.

"Sam Wyly has made a tremendously generous gift," says Dean B. Joseph White. "His gift comes to us at an important time in the school's history for it allows us to launch a major facilities expansion, one that is needed now in order to keep the School at the leading edge of management education. I am deeply grateful to Sam Wyly, and honored to have him as a partner in our success."

Wyly, a native of Delhi, Louisiana, who moved to Texas upon graduation from business school, made his fortune in the computer, oil and gas, and retail store industries. In the past 30 years, he has founded several public companies. Presently, he is a founder and chairman of Sterling Software, one of the 15 largest independent software companies in the world. Sterling specializes in software systems for electronic

purchasing and inventory systems. In September 1996, Sterling Software completed the spin-off of one of its largest subsidiaries, Sterling Commerce. This new public company has, for more than 20 years, developed, marketed and supported electronic commerce software products for the banking, pharmaceutical and retailing industries. Wyly serves as the chairman of its executive committee. He is also the chairman of Michaels Stores, the nation's leading arts and crafts retailer with 444 locations in 44 states and Canada. Last, he is the founder and a partner in Maverick Capital, an \$800 million, privately held hedge fund that has earned a 35 percent rate of return since its inception seven years ago. In 1996, Maverick earned a whopping 57 percent while taking only 20 percent of the risk in the stock market.

Wyly's journey from Delhi to Ann Arbor and back to what would become his corporate headquarters in Dallas is one of a man determined to make it big. Even as a youngster, he set goals and then came up with the

"My ancestors were manifest destiny characters. Their stories gave me a sense of adventure... that things are possible, and that sometimes you have to be a bit determined and a scrapper."

requisite power to make them happen. "In high school, my goal was to make the football team," says the former 155-pound nose guard. "Having made the team, my goal was to beat Tallulah. Having beat Tallulah, my goal was for us to win the state championship." Delhi did, in fact, win the state football championship in 1951—an amazing feat for his small hometown of 3,000—and Wyly went on to win and lose and, ultimately, win on the playing fields of business.

It was the statehouse, not Wall Street, that motivated Wyly to study accounting. Just out of high school, he had worked as a legislative intern and had the opportunity to attend the governor's inauguration. The pomp and circumstance wowed him. "At age 17, I decided my new goal was to be governor of Louisiana," he recalls.

Becoming governor was not outside the



Partners in success: Sam Wyly and Dean B. Joseph White shake hands.

realm of possibility for this young man. He grew up on stories about his great, great uncle, Christopher Parker, who died alongside Davey Crockett and Jim Bowie while defending the Alamo. His great, great grandfather, a military general, fought in the war with Mexico that won California and the rest of the West for the United States. His other great, great grandfather founded Tusculum College, the first institution of higher learning west of the Allegheny Mountains. "My ancestors were manifest destiny characters," Wyly says. "Their stories gave me a sense of adventure and a bigger vision that things are possible and that sometimes you have to be a bit determined and a scrapper. And that sometimes, you lose, like Uncle Christopher at the Alamo."

Wyly entered Louisiana Tech University, in Ruston, as a journalism major, but quickly switched to accounting. He learned accounting and engineering majors commanded better salaries. "I didn't want to build bridges," Wyly says, "so I decided to be an accountant. That's how I got a business degree."

At Louisiana Tech, Wyly was a leader and a scholar. Already an Eagle Scout, he was voted student body president and president of the Student Federation of Louisiana Colleges and Universities. He also competed in intercollegiate debate on the subjects of free trade and U.S. policy toward China. In the classroom, he captured the attention of his department chair, Harold J. Smolinski, a professor of accounting. Smolinski had, coincidentally, been among a pool of

Danny Turner

academics selected by William A. Paton, then the most famous accounting professor in the nation, to nominate candidates for the University of Michigan Business School's newly established Paton Scholarship.

In 1956, Wyly was a college senior with several good job offers, including one from IBM that he planned to accept, and a new goal: earning his MBA. That spring, Smolinski announced that Paton would be speaking on campus. "Smolinski had gotten me excited about the visit of Dr. Paton," Wyly recalls. "He showed me *The Accountant's Handbook*. Back then, every CPA in America had that little book sitting on his desk. On the cover, it said, 'Edited by W.A. Paton, University of Michigan.'"

Smolinski introduced Wyly to Paton and legend has it that Paton offered the first scholarship to him on the spot. In fact, the process took a few weeks but the result was the same. Sam Wyly was named the first Paton Scholar and offered a full scholarship to the University of Michigan Business School.

"Dr. Paton's visit was a big deal," Wyly recalls. "He spoke with great common sense. In fact, he was refreshing, especially if you had been through a bunch of courses in cost accounting which, back then, was dry stuff. Then, here comes a fellow who was intellectually refreshing with a bright smile on his face.

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Wyly found at UMBS in the fall of 1956 just what he had expected: "A lot of smart folks." He studied hard. Thoughts of the governorship were supplanted by the possibilities of the business world. "The course that gave me the best overall picture was the course in small business," Wyly says. "I could see everything pulled together and in one place. I didn't have to try to sort out, how does one thing feed into another?"

His relationship with Paton was professional. "I didn't spend a whole lot of time with him," Wyly recalls. "But he was clearly open and friendly and accessible. I really learned a lot from him. A lot that was not in the textbook. At the time we were in an inflationary period because of the war and I remember him arguing for recognizing inflation in tax accounting. That was nowhere in the literature. Nowhere in the newspapers of the day.

What he was saying in the 1950's other people began to say in the inflationary '70's. He was 20 years ahead of the rest of the community."

Wyly graduated with an MBA in 1957 and went to work for IBM and then Honeywell. In 1963, he opted to go solo and left Honeywell to found University Computing Company, the first computer time-share business providing large-scale engineering computer services to companies in the North Texas region. Two years later, 40 percent of UCC was sold in a \$1 million initial public offering. In the four years that followed, while the Dow was declining and long-term government bonds were earning minus five percent a year, he and his investors realized a 100-to-1 return. Wyly was a millionaire.

UCC continued its phenomenal growth while Wyly turned his attention to the next big computing opportunity, data transmission. In 1968, with UCC riding high, he formed DATRAN, the first all-digital, software-based telephone company for computer information transmission. He had the vision and the technology. He also had much of the necessary capital: \$100 million of his own and investor money. All he needed was a change in national telecommunications policy.

DATRAN teamed up with MCI and Carterphone to bring about what many considered unthinkable—the end of AT&T's monopoly on long distance telephone service. The result was, for Wyly, much like the Battle of the Alamo. Victory was achieved but the DATRAN defenders died in the process. "From 1968 to 1976, I invested eight years of my life and the lives of a lot of other good folks and lost," he says.

"The break-up of the telephone monopoly came, but it didn't come until 1980. We would have had to survive for another four years and, in the dark days of the 1970's, we didn't have the capital to do that. Our big mistake was that we didn't understand how long it was going to take to bust up the monopoly."

Looking back, Wyly is philosophical. "Almost everything is two steps forward and one step back," he says. "Nothing is all wins all the time. Babe Ruth hit the most home runs. He also struck out the most. Sterling Commerce, the market leader in electronic commerce, and even today's Internet can be thought of as the grandchildren of DATRAN."

Wyly's grand slam came in 1980. Twelve years before—the same year he formed DATRAN—he also founded, with his brother Charles, Earth Resources Company, an oil

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refining and silver mining venture. Oil was \$2.88 a barrel. In November 1980, the Wyly brothers sold the company the very month oil topped out at \$36 a barrel. Earth Resources, which had grown to \$700 million in revenue, showed \$25 million in profits. The twosome then went on to reinvest much of the proceeds of the sale in government bonds that were earning 15 percent, catching almost perfectly the change from an inflationary to a disinflationary investment world.

"Almost everything is two steps forward and one step back. Nothing is all wins all the time. Babe Ruth hit the most home runs. He also struck out the most."

"I read a lot," Wyly says. "Then I decide whether I agree or disagree with what's written. I remember that when American publications were writing about the desperate oil shortage, *The Economist* chose to forecast a coming oil glut. I agreed with their logic. It simply made sense to me that, when a commodity appreciates in price from \$3 to \$36, people will find a way to make do with less. And some will find ways to bring forth more supply."

Over the years, Wyly has kept up his reading on his business school alma mater. He wants to participate more actively in improving its quality. Particularly pleasing to him is the fact that Sam Wyly Hall facilitates the expansion of the Executive Education Program. "Executive education is enormously important," he says. "It really is a great program."

Sam Wyly Hall will be located at the corner of East University and Hill Streets, next to the existing Executive Education Center, and will create, among other features, a 35 percent increase in guest room capacity. This will help substantially in accommodating the more than 4,000 executive education participants who come to the business school each year.

"Michigan made an enormous contribution to my ability to do whatever it is that I have gone out to do," he says. "I do genuinely feel grateful for the contribution the University of Michigan made to me." •

—*Cynthia Shaiu*

New Building Meets Major Expansion Needs

Sam Wyly Hall, named in honor of its principal donor, Sam Wyly, MBA '57, is a six-story, 75,000-square-foot facility that makes possible significant expansion of Executive Education Program facilities and provides a new home to the William Davidson Institute.

The multi-purpose building will contain state-of-the-art classrooms, conference rooms and break-out rooms for use by both programs as well as guest rooms and related amenities for Executive Education participants and visiting scholars. The School's growing faculty will gain additional offices and there is space allotted for receiving, distribution and storage. Construction is set to begin in May.

Highlights of the new building include:

- LOWER LEVEL featuring a 90-seat multi-purpose classroom/special dining room; two classrooms with full technological capabilities and support; and seven break-out rooms to be used in conjunction with the classrooms.
- FIRST FLOOR devoted primarily to the William Davidson Institute, with office and work space for 32 faculty, staff and visiting scholars, two conference rooms, a research reading room, reception area and small kitchen. The remaining space accommodates the loading dock, receiving and truck parking.
- SECOND FLOOR dedicated solely to educational facilities, such as two tiered classrooms with fixed tables for 55 and 65 participants; another 50-person classroom; 17 break-out rooms, eight of which can be combined into double-sized rooms with folding partitions; a lounge, informal meeting space and a refreshment area.
- THIRD FLOOR designed to support all Executive Education administration activities, with offices and work space for 60 staff, including the associate dean, two conference rooms, course preparation workrooms, a lunch room, storage and space for the computing system that supports the Executive Education operation.
- FOURTH, FIFTH AND SIXTH FLOORS each containing 19 guest rooms and group study rooms. On the fourth floor there is a fitness facility for the exclusive use of Executive Education participants. These floors connect directly to the floors of the existing Executive Education residence and will use existing elevators.

Three Innovations Celebrate Five Years of Success

In 1991, the seeds of three initiatives were sown at the University of Michigan Business School. In the five years that have followed, these seeds have taken root and are now flourishing as the Corporate Advisory Board, the Corporate Environmental Management Program and the Tauber Manufacturing Institute.

How they came into being and why they are so successful are testaments to the innovative spirit of the Business School.

The Corporate Advisory Board: A Forum for Frank Talk

The creation of the Corporate Advisory Board was a "quality initiative," Dean B. Joseph White says. "We didn't have a good way for our customers to tell us, candidly, what they thought of our programs and the graduates they produce." So, not quite a full year into his first term as dean, he asked Margaret (Peggy) Carroll, managing director of development and alumni relations, to form a hands-on advisory board that would give voice to one of the school's primary customers—the corporations and firms that hire its students, send employees to executive education courses and utilize its faculty research.

"The Board satisfies a need that was not satisfied before," says Donald R. Parfet, MBA '77, senior vice president at Pharmacia & Upjohn and the chair of the Corporate Advisory Board. "It is designed to say: We like your product. In fact, we *love* your product. But, we want to love it even more. We want to help improve

the Business School for corporate America."

The group meets twice a year. At each meeting, the dean gives a State of the School update. Then a particular unit, like Admissions or the Office of Career Development, gives a presentation on its operation. Discussion follows, with board members offering feedback on specific questions. "They give us an opportunity to understand and to challenge," Parfet explains. "They ask, 'Does this apply? Does this have



"A lot of schools are good at listening to their corporate customers. A lot are good at saying, 'I understand.' What Michigan's Business School does better than anyone else is RESPOND with quality programs that exceed expectations."

-Donald R. Parfet, MBA '77

Chair of the Corporate Advisory Board

value to you as a potential employer?"

One of the group's most important contributions was its endorsement of the concept that all MBA candidates be personally interviewed by the school before a decision is made on admittance. (Before 1993, admission decisions were based on the application alone.) White put the question to the board at one of their early meetings. "The group, almost to a person, came back and said yes," Parfet remembers. "What is not on paper are the behaviors, the work ethic. We said the only way you are going to see that is by interviewing these kids."

The benefits have proven twofold: Not only does the interview insure thorough screening of each applicant, it also makes possible the

opportunity for admissions personnel to "sell" the school to outstanding candidates whose only other contact with the school would be by mail.

The board has five standing committees. Through these channels, they advise on matters relating to curriculum planning and the professional development of students, global programs, new technologies and the particular needs of small businesses. They also advise on ways to strengthen ties with alumni.

"A lot of schools are good at listening to their corporate customers," Parfet concludes. "A lot are good at saying, 'I understand.' What Michigan's Business School does better than anyone else is RESPOND with quality programs that exceed expectations."

Environmental Responsibility Greens the Bottom Line

One such response is the Corporate Environmental Management Program or CEMP. The graduate program is a three-year, dual-degree opportunity created and administered jointly by the Business School and the University of Michigan's School of Natural Resources and Environment. It is unlike any other program of its kind in that it equips future executives and managers, whether they go to work in the private sector or for environmental non-profits, with the knowledge and skills necessary to build environmentally and economically sustainable organizations.

"CEMP is about strategy," says Stuart L. Hart, associate professor of corporate strategy and director of the program. "It is about figuring out how you persuade corporate and nonprofit managers to fundamentally rethink what they are doing. We are working at the level of mission, strategy, and investment in technology, not just pollution control or pollution prevention. We are talking about competitive advantage in the long-run."

A gift from Stuart Nathan, BBA '62, and Jo Ann Nathan, BS Ed '62, launched the CEMP program with a lecture series that brought influential speakers to campus—leaders who embody the notion that business and environmental communities can work together for mutual benefit.

In 1996, a \$5 million gift from Fred A. Erb, BBA '47, and Barbara M. Erb established the Erb Environmental Management Institute to leverage resources university-wide for the advancement of responsible environmental management practices. Garry Brewer, the former dean of the School of Natural Resources and Environment and co-creator along with Dean White of CEMP, is the director. The cornerstone of the Erb Institute is the CEMP program.

In only five years, CEMP has developed into a program that is



"CEMP is not just a small niche dual-degree program. Instead, it is a change-agent for both schools."

-Stuart Hart, Director, CEMP Program

unparalleled in the United States, in large part because it does not cater to one audience or customer base to the exclusion of the other—corporate America or nonprofit, non-governmental agencies. Course offerings unite the two constituencies with such topics as Management of Environmental Legal Issues, Ethics of Corporate Management and Operations Ecology. "The environmental groups are not that different from the companies in that they have to think strategically about what they are doing and how they are trying to position themselves," Hart says.

The reach of the CEMP program extends far beyond its degree program: There is collaboration with the William Davidson Institute for

research in transitional economies, the Joel D. Tauber Manufacturing Institute, the general MBA program and Executive Education. Hart's article, "Beyond Greening: Strategies for a Sustainable World" appeared in the January-February issue of the *Harvard Business Review*. "Our objective is to attract as many students as we can. CEMP is not just a small niche dual-degree program," Hart explains. "Instead, it is a change-agent for both schools. Ultimately, the success of the program will be defined by the extent to which all MBA and School of Natural Resources and Environment students have a sense of environmental sustainability as a new paradigm for corporate strategy."

Tauber Manufacturing Institute: When Ignorance Isn't Bliss

Like the CEMP program, the Joel D. Tauber Manufacturing Institute offers a new paradigm. It represents a redefinition of manufacturing management education.

Until recently, the manufacturing industry—in America and throughout the world—consisted of two camps: the engineers and the business people. Sometimes they got along, usually they didn't. More often than not, neither camp understood what the other did. The result? Lost productivity, false starts, plenty of animosity.

If American manufacturing was to survive and compete, there needed to be a meeting of the minds.

Five years ago, members of the Business School's Visiting Committee met with those of the College of Engineering's National Advisory Committee. The upshot was clear: industry wanted the university to offer a multi-disciplinary approach to manufacturing education. "They wanted engineers who understood the financial and marketing aspects of the products and processes that they were designing," says Marika V. Jones, managing director of TMI, "and they wanted MBA's that understood the technical complexities of the products and processes that they were managing."

The two schools joined forces to realize this mandate. Both schools had always addressed manufacturing in their respective curricula. By drawing on their already established individual strengths, they were able to put plans into fast forward. What resulted was the Michigan Joint Manufacturing Initiative—a partnership with industry to create and support education, research and technology exchange for the advancement of manufacturing.

Involved every step of the way as an alumnus and Visiting Committee member was Joel D. Tauber, BBA '56, JD '59, MBA '63. In 1995, Tauber gave \$5 million to establish the Joel D. Tauber Manufacturing Institute.

TMI bridges the long-standing gulf

between the worlds of business and engineering with four dynamic degree programs and extensive partnerships with manufacturers. Summer team projects, which all TMI students are required to complete, are a partnership activity that benefits both students and the sponsoring employer. To date, 34 companies have served as sponsors, including AlliedSignal Inc. and Leybold, AG of France and Germany. "A team of students played an instrumental role in the establishment of a new AlliedSignal plant in China last summer," Jones says. "These students developed a logistics plan to transplant raw materials into the Chinese plant from a number of international locations, and then to ship the

TMI *5th Year Celebration*



Marika V. Jones, Managing Director of TMI

TMI bridges the long-standing gulf between the worlds of business and engineering with four dynamic degree programs and extensive partnerships with manufacturers.

completed product to AlliedSignal customers worldwide."

Continuous quality improvement, so integral to cutting edge manufacturing, is a crucial constant in the on-going evolution of TMI. A suggestion from the Institute's student advisory board has resulted in the annual Manufacturing Recruiting Forum for employers and interested manufacturing students nationwide. Last year, for example, TMI hosted 192 students from 12 universities and more than 70 recruiters from 35 companies. "Our student advisory board has been a tremendous help in shaping the program," Jones says. "We use a lot of their ideas."

The Institute also supports an ever-growing research arm. Through a competitive fellowship process, business and engineering faculty teams partner with companies to

solve problems of mutual interest—and often support summer TMI teams in the process. "General Electric, for example, is launching a corporate-wide quality initiative," Jones adds. "A faculty research team has been helping them to effectively launch that initiative. This past summer, one of our student teams worked in a GE plant implementing the new quality process."

Seeds. Ideas. Kernels of opportunity. Five years ago, that is all there was of the Corporate Advisory Board, the Corporate Environmental Management Program and the Tauber Manufacturing Institute. But, as the University of Michigan Business School is quick to prove, a lot can happen in five years. The fifth anniversaries of each of these initiatives highlight the innovative spirit, the expert execution and the continuing quest for improvement found at one of the world's finest business schools.

New Initiatives in Entrepreneurship

A Sampling of Activities the Business School is Using to Nurture the Spirit of Entrepreneurship

1

STUDENTS PRACTICE BUSINESS SKILLS IN CENTRAL GALILEE

Hinterprising MBA students are transporting the spirit and skills of successful entrepreneurship to Israel, where countless Russian, Ukrainian and Polish scientists and engineers have come to commercialize their inventions.

This new initiative is yet another facet of the graduate Global Project courses that now extend to 28 foreign countries and the United States. In Israel, students have the challenging opportunity of bringing First World know-how to promising inventors with Third World notions of capitalism.

"Oftentimes, inventors don't understand markets," says Jeff Camiener, a second-year MBA who led the first student team to Israel. "This is especially true of someone who has not been brought up in a market economy."

Study in Israel began a year ago, shortly after Dean B. Joseph White learned about Partnership 2000, a national effort to pair regions of the U.S. with areas in Israel in order to promote economic and social development. Last spring, two teams traveled to Central Galilee—Metropolitan Detroit's sister city and the home of Ofek LaOleh Technological Incubator—to consult with inventors of a new surgical device and an environmentally benign plow. Both groups provided the market research and wrote the business plans for commercialization of the products.

"The variety of the offerings and the high-tech nature of the Israeli incubator is appealing to students," says Andrew Lawlor, instructor for the Global Project courses—IMAP, the international equivalent of the first year

Multidisciplinary Action Project, and the Special Topics in International Business course, an elective that draws more than 80 second-year MBA students each spring.

This spring, 30 students divided into eight teams travelled to Israel. Each team worked with a different inventor on such promising new technologies as a vision engineering system for microsurgery, a non-invasive breast cancer detection device and a saliva testing kit (similar to an at-home pregnancy test) that detects lithium deficiencies.

Another very different project involves developing a marketing plan for Zippori, the archeological site of what is believed to be the capital of Galilee in the first century. The site, which coincidentally was first discovered in 1931 by a University of Michigan archeologist, is an antiquities park and part of a national park that opened in 1992. Business students are assisting the national park in its efforts to market Zippori as a tourist attraction.

Jeff Camiener and members of the first team to work in Israel overcame distance, language and knowledge barriers, to help a Russian inventor introduce his innovative surgical device to the marketplace. In doing so, they assuaged his very real fears of the entrepreneurial process.

"The trip enabled us to work with a *real* inventor with a *real* product," Camiener says of his adventure. "He's someone who needs support developing a business plan, help understanding how to penetrate the U.S. market and help getting venture capital. This wasn't just theory in a textbook."

The first team to work in Israel overcame distance, language and knowledge barriers, to help a Russian inventor introduce his innovative surgical device to the marketplace.

2

WHAT GOES AROUND COMES AROUND: THE CASE OF STEEPLECHASE SOFTWARE

This is a story about a special cycle that has developed in the entrepreneur program at the University of Michigan Business School. It works like this. Companies are born here, parented by the entrepreneurial dreams of a student, are then founded, go on to become successful, and eventually are able to sponsor other business students as they go on to become entrepreneurs. A case in point begins with the founding of Steeplechase Software in 1993, when evening MBA student Mike Klein had the idea that

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Companies are founded from the entrepreneurial dreams of students, later become successful, and eventually can sponsor other students as they go on to become entrepreneurs.

make factory automation more productive and easier to use. He pitched the idea to three classmates in Professor Andrew Lawlor's class in entrepreneurship. As part of their classwork, the four then formed a team, did an industry analysis, and wrote a business plan for the company.

The plan they wrote went on to win the 10th annual Pryor award, established at the Business School in 1983 by Millard

and Mary Pryor to encourage entrepreneurship and new business formation. It offers a cash prize for the best prepared, most innovative business plan, detailing the start-up strategy for a new enterprise. (Editor's note, the Pryor award has now been put on a permanent endowed basis — see next column for story.)

Steeplechase founder (and now CEO) Mike Klein then made a presentation about his proposed company at a venture capital conference sponsored by the Business School's Office for the Study of Private Equity Finance. Also presenting at that same conference was Kalamazoo entrepreneur John J. Dill II, founder and research and development director of Dill Instruments Inc. When Dill heard Klein's presentation, he became an immediate customer of

Klein's new company. After two days of training on Steeplechase's software, Dill found it only took him three weeks to design the automation-control program for his machines. "It was just phenomenal," he says, adding that the same task would have taken a professional computer programmer six weeks using other types of control software.

Since then, Steeplechase has grown explosively. In March, 1996 it teamed up with Honeywell in a multi-million dollar deal to replace the electronic controls now widely used in factory machinery. Honeywell spent a year evaluating the Steeplechase software, which included installing Honeywell's and Steeplechase's combined controls in Honeywell's packaging and supply line in its Freeport, Illinois plant in July, 1995. "We see it as the future," commented Brad Kantzer, a market specialist with Honeywell's Micro Switch division in Freeport. "It's not missing a beat. We're extremely pleased with it. Bottom line is when you go to PC control, it has to be real time, robust and reliable."

The next step took place in the summer of 1996, when Steeplechase teamed up with the Business School's Growth Fund to sponsor an MBA student internship at the company, so that students could gain valuable experience in the entrepreneurial world. The first intern in this program was Pamela Mayer, who interned at Steeplechase as a strategic marketing analyst, focusing on distribution and vertical marketing analysis.

At this writing Steeplechase has notified Professor Lawlor that it would like to sponsor a four-person team of MBA students in his Global Project Course with Mayer as the team leader. Such sponsorship makes it possible for MBA students to do consulting and strategy, along with international travel. The project for Steeplechase will involve market entry studies in Germany and England. And so the cycle continues. . .

3

ENTREPRENEURSHIP PRIZE RECEIVES AN ENDOWMENT FROM CLAYTON HALE ESTATE

For many years, entrepreneurially minded students have been able to enter their business plans in a Business Plan Contest that carried an accompanying financial award of several thousand dollars. Now the

"Supporting the entrepreneurial dreams of students is a project that would have pleased him very much," says William C. Hale of his father, the late Clayton Hale.

contest, which has recognized and encouraged the founders of several currently successful companies, has been put on an endowed basis by a gift made possible by the estate of Clayton G. Hale, a U-M graduate and Cleveland insurance executive who was a good friend of the School during his lifetime. (In fact, Hale Auditorium was made possible by a gift from Mr. Hale.)

The Contest, which will now be known as the Pryor-Hale Entrepreneur Award, was established in 1984 with a \$50,000 grant to the School by Millard H. Pryor as a challenge to "commit the entrepreneurial dreams of students to paper." It is open to all undergraduate or graduate students who are registered during the academic year. Business plans that compete for the award are first evaluated by two Ph.D. students who read the plans and choose finalists. The finalists then present their ideas during a strictly monitored 20 minutes to five judges who are venture capitalists and entrepreneurs. They judge the plans on conceptual innovativeness, clarity, and practicality of marketing and production methods.

In discussing the award, William C. Hale, son of the late Clayton Hale, said, "This is indeed an appropriate use of funds. After graduating from the University of Michigan, Dad went into the insurance business on his own. In the depression, he borrowed to buy a number of agencies which were going out of business. Supporting the entrepreneurial dreams of students is a project that would have pleased him very much." Sally Hale Bowen, daughter of Clayton Hale, added "Having previously contributed to 'bricks and mortar,' (referring to Hale Auditorium) this gift now goes to students — in both cases a catalyst and an encouragement. I think Dad would be pleased."

4

STUDENTS ORGANIZE FIRST FORUM ON ENTREPRENEURSHIP

Michael Stark, MBA '80, who has helped dozens of Silicon Valley start-ups go public, gave the keynote address at the first annual Entrepreneurs' Forum held at the Business School in the fall. He is a managing director at San Francisco-based Robertson Stephens & Company, an investment banking firm in Silicon Valley which has led some of the biggest high-tech IPOs of the past decade. Stark currently co-manages some of the firm's late-stage venture capital funds. Sanford Robertson, BBA '53, MBA '54, is chairman of the company.

"We organized the Forum to bring students in touch with highly regarded entrepreneurs and venture capitalists," explains second year MBA student Greg Lipper, president of the Entrepreneur Club.

"We kept the format informal, to allow students the best chance to learn from the individuals joining us, gain some insight into their professional lives, and develop an understanding of the trade-offs between entrepreneurial and corporate careers." The formal title for the Forum was "High Technology and Venture Capital in the Year 2000."

Joining Stark were about 20 high-tech entrepreneurs and venture capitalists, who formed groups of four each to lead breakout sessions on such topics as: building a career in venture capital; generating ideas for the start-up business; turning an idea into a successful business; reflections on high technology industries; and raising capital for a start-up venture — an investor perspective.

The Forum ended with a lunch during which Bill Stone, CEO and founder of Connecticut-based SS&C Technologies, a highly regarded investment software services firm, delivered the closing address.

First-year MBA students Steve Cox and Stefanie Leifer have been named co-chairs of next year's Entrepreneurs' Forum, and are already busy planning that event. H

"We organized the Forum to bring students in touch with highly regarded entrepreneurs and venture capitalists," said Greg Lipper, president of the Entrepreneur Club.

New Initiatives in Entrepreneurship

Growth Fund Finances First



Mary Campbell, MBA '79, discusses a project with intern Stephen Ellis.

As classmates finalized plans last spring for their summer internships, Stephen Ellis and Pamela Mayer purposefully continued to search, hoping to secure for themselves the entrepreneurial experience they were after.

Their gamble paid off. At the eleventh hour, Mayer won an internship with Steeplechase, a start-up software company that has grown exponentially since it was founded in 1993, and Stephen joined Enterprise Development Fund, a venture capital firm. "Since I have been at Michigan, I have become increasingly aware of just how important entrepreneurship is in every aspect of business," Ellis says. "I wanted it to be the focus of my internship. EDF offered that opportunity."

The entrepreneurial internship is an innovative new initiative made possible by the Business School's Growth Fund. The fund was established in 1988 by the Regents of the University at the request of the Business School. It is for donors interested in contributing to high-risk, high-return investments that will benefit the school. Last April—as most students were packing their suitcases for the summer—the board voted to use a portion of the fund's yield to support entrepreneurial internships for two MBA students. "It is our belief that entrepreneurship is pivotal to the future of the world economy," says **Mary Campbell, MBA '79** and chair of the Growth Fund board of directors. "Because it is often difficult for an

"Because it is often difficult for an emerging company to support an intern, we thought that if the Growth Fund would share the cost, entrepreneurial companies would be more willing to provide the experience."

-Mary Campbell, MBA '79

emerging company to support an intern, we thought that if the Growth Fund would share the cost, entrepreneurial companies would be more willing to provide the experience."

Ellis, an evening MBA student on summer leave from his full-time position as an ROTC instructor for the U.S. Navy, went to work for Enterprise Development Fund, a private venture capital firm founded by Campbell, **Thomas S. Porter, MBA '79**, and Hayden H. Harris. EDF invests in start-up, early stage and emerging growth companies in the areas of health care, software and other proprietary technologies.

During his internship, Ellis wrote the business plan for a gene therapy company, oversaw late-stage due diligence for a chemical company and developed a full-scale financial model for a business using genetic engineering to develop novel animal vaccines.

Entrepreneurial Internships

His first assignment was to learn all there was to know about the two diseases the vaccine aimed to prevent. Beginning with searches on the Internet and eventually poring over countless scholarly papers, Ellis quickly became an expert on the diseases. With that background, he then explored the vaccine's marketability. "My project was to look at every factor relating to how this company would grow and develop over the course of the next five years and to try and build as realistic a model as possible so that we would be able to predict at the end of five years what their revenues would be, what their expenses would be and if they would be earning a profit," Ellis says. "In order to be a successful venture capitalist, you have to be a quick learner—not just the science of a particular technology but also the engineering, the market dynamics and the competitive situation and be able to integrate all these components."

When Ellis, a lieutenant, entered the evening program, he wondered if his naval training would prove valuable as he pursued his MBA. He found that the nature of an entrepreneurial operation is similar to what an officer experiences when he is on a ship at sea. Both environments, he says, require acute navigational skills and the ability to take decisive action.

"In many cases the inventor of a product has little or no business experience, no notion of the competition or how to market his product," Ellis explains. "For him, it is like being lost at sea; he has no idea what dangers lurk ahead. As the venture capitalist, you are called on to make those decisions. Your job is to join him, hold his hand and to navigate the situation for optimal gain."

At Steeplechase, Pamela Mayer also served as a navigator and decision advisor. However, unlike Ellis, who juggled several projects, she had one all-consuming assignment: Develop a comprehensive, nationwide distribution strategy for the company's software. "Everyone wears so many hats at this company," she says, "it was a luxury for them to have me concentrate solely on the distribution system."

Mayer, who has an undergraduate degree in optics engineering, a law degree and five years experience as a patent attorney, decided to return to school and complete her MBA so she could work as the general counsel and business strategist for a start-up company like Steeplechase. The software company, which had its beginning at the Business School where founder Mike Klein was an evening student, manufactures personal computer-based control systems for discreet manufacturing and materials handling operations. It has two OEM agreements and has grown from six to 60 employees in four years. (See more about Steeplechase Software on page 10.)

"They definitely have the technically superior product and they are moving toward excellent distribution," Mayer says. "Even with technical superiority and excellent distribution, the most important thing I learned from this internship is that long-term success depends on the effectiveness of a company's channels of communication. Even for a small company, it's all about teamwork and communication."

Ellis and Mayer agree their internships confirmed their desires to work in entrepreneurial environments after graduation. The Growth Fund board plans to continue sponsoring two internships each summer. As their resources grow, so will the number of opportunities.

"It is our hope," Campbell says, "that in the long-term these internships will help to increase the visibility of the University of Michigan Business School, and will let companies know that we are educating the next generation of entrepreneurs." •



"Even with technical superiority and excellent distribution, the most important thing I learned from this internship is that long-term success depends on the effectiveness of a company's channels of communication."

-Pamela Mayer

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Alumni REUNION Activities '96



The Friars, the university's male a capella group, delighted reunion goers with an array of songs.



Photos by Gregory Fox



Classmates gather with wide smiles and warm sentiments. Clockwise from above left: Members of the Classes of 1991, 1986, and 1951.

Forty-nine years ago, • John McCarthy, MBA '51 (pictured center, third row from the bottom) was elected president of his class. He has served as such ever since, coordinating reunions every five years. He is already at work on his class's emeritus reunion in 2001.



Verona "Ronee" Lopez Villanueva-Juanengo, MBA '86, journeyed the farthest—halfway around the world from Makati City in The Philippines—to attend her 20th class reunion. One hundred and thirty others — members of the Classes of '51, '71, '86, '91 and '95 — traveled less far but no less enthusiastically to reunite with friends and reminisce.

"It is lots of fun to get together and talk—talk about the old times," says **John F. McCarthy, MBA '51**. "That's what reunions are all about."

The two-day event was packed with activities: Wayne Baker, associate professor of organizational behavior and human resource management, led an executive skills seminar on networking. Mark Milstein, a third-year student

in the Corporate Environmental Management Program, gave an insider's tour of the UMBS facilities. C.K. Prahalad, the Harvey C. Fruehauf Professor of Business Administration and Professor of Corporate Strategy and International Business, gave a State of the School address and a lecture titled, "The New Age Manager."

A splashy tailgate party followed with lots of entertainment including favorite songs sung by the Friars, the university's male a capella group. Afterward revelers were shuttled to Michigan Stadium where, much to everyone's delight, the Wolverines romped the Indiana Hoosiers 27-20.

At a reception on Friday evening, three of the classes presented Dean B. Joseph White with gifts. The Class of '71 gave \$191,000; the Class of '86 gave \$192,500; and, the Class of '91 gave \$40,000.

John McCarthy, who was class president in 1951 and has served as such ever since, has spearheaded reunions every five years since he and his classmates graduated 46 years ago. "We have never missed one," he says proudly. When asked if he had any advice for younger classes, he added: "Tell them they ought to keep their group together. They may not think so now, but in the long run, they will be generating memories they will never forget."

Reunion 1997, which will honor the Classes of '72, '87, '92 and '96, will be held Oct. 31-Nov. 1, 1997. For more information, contact Mary Perrydore, interim director, Alumni Relations, (313) 763-5775.



Gregory Fox

Stacy Stonefish, BBA '95, welcomed her class to the reunion weekend.

Alumni Club Events: A Round-Up

• CHICAGO

The UMBS Club of Chicago drew more than 150 alums to its Inaugural Reception last October at the Chicago Athletic Association. The event served as a kick-off for the club's new organization and enthusiasm. "We are excited to be back on the map," says club president Mike McKewin, MBA '93.

Dean B. Joseph White and Professor Anjan Thakor were both in attendance and spoke to the group. White challenged the club to join the school in "aiming high" to be a world class alumni community. He said the Chicago area has one of the largest alumni bases in the world, with nearly 2,400 graduates.

Thakor, the new Edward J. Frey Professor of Banking and Finance, captured the spotlight as keynote speaker. He shared his insights as a new faculty member, having come from the University of Indiana.

In December, the club hosted a holiday party at the Regimental Grill.

Along with much merriment, the party-goers contributed more than 50 gifts to Toys for Tots.

Diane Swonk, chief deputy economist for First National Bank of Chicago and a Michigan graduate, launched the 1997 speaker series in February and in May, another Michigan graduate, entrepreneur Sam Zell, will speak. For more information, contact McKewin at (312) 222-6833.

• NORTHERN CALIFORNIA

The UMBS Club of Northern California hosted back-to-back events in October, the first involving football; the second, fine wine.

On Oct. 5, more than 100 Wolverine and Wildcat fans gathered in San Francisco at the Final Final Sports Bar to watch Michigan play Northwestern University. Those in attendance included graduates of the business school, members of the Golden Gate Chapter of the University of Michigan Alumni Club and the Northwestern University Alumni Club.

Alumni Activities

Five days later, 40 club members shared an evening of fine food and wine with Andy Lawlor, adjunct professor of corporate strategy, international business and entrepreneurship, at Milano's Restaurant in San Francisco.

Lawlor, a wine connoisseur and consultant to several wineries in the Bay Area, gave a talk titled, "Wine Selection for Business Meetings." He also provided an update on the Business School's international consulting opportunities for students.

On Feb. 18, the club hosted Kendall Jackson's "Live Well with Wine" seminar and tasting at the St. Francis Yacht Club. **Jim Stanley, MBA'67** and vice president of communications at Kendall Jackson, and Lili Hsi Thomas served as presenters. The seminar, co-hosted by the Purdue Alumni Club, drew 60 attendees. "Club members really enjoyed the two wine tasting events," says club president **Eva Chang, MBA '93**. "Each was educational as well as entertaining."

The club—which has recently welcomed 25 new members, many from the Class of '96—will host an evening with **Craig Branigan, MBA'74**. Branigan, managing director of Landor Associates, will speak on building brand equity. For more information, contact Chang at (415) 296-5818.

• WASHINGTON D.C.

John M. Nannes, BBA '70, a partner at the Washington D.C. law firm of Skadden, Arps, Slate, Meagher and Flom, hosted a wine and cheese reception and lecture at his office in late October for area club members. Professor Jim Bodurtha, a former UMBS professor now teaching at Georgetown University, was the guest speaker.

Students Say: Get Involved

Global Blue, the student organization dedicated to promoting a strong alumni network, wishes to encourage UMBS alumni worldwide to join and become active in their local alumni clubs.

"Alumni clubs are the backbone of the UMBS network around the world," says Brad Shorer, a first-year MBA student who has made a five-year commitment to work as a Global Blue representative. "Our effectiveness as a school in the global business arena is only as strong as our network."

For more information, call:

Chicago - Michael McKewin, MBA'93, (312) 222-6833
Cleveland - Deanna Bremer, MBA'92, (216) 252-7300 ext. 111
Dallas/Fort Worth - Thomas Dolan, BBA'86/MBA'94 (817) 967-1948
Detroit - Edward M. Karls, MBA'94, (313) 930-9090
Houston - Jay Carrillo, MBA'94, (713) 656-4138
Los Angeles - Stefaan Vansteenkiste, MBA'90, (714) 692-5514
New Jersey - Mark Brugger, MBA'91, (718) 355-4749
New York - Scott Stieler, MBA'92, (908) 508-7689
Northern California - Eva Chang, MBA'93, (415) 296-5818
Washington D.C. - Mike Weber, MBA '91, (202) 874-0877
Argentina - Dario Epstein, MBA'91, 54-1-345-2876
England - Keith Gwynne Jones, MBA'65, 44-171-229-8781
Hong Kong - Byron Askin, MBA'91, 852-2881-1221
Japan - Takeo Suzuki, MBA'76, 81-54-253-7833
Korea - Yoon-Dae Euh, Ph.D.'78, 82-2-920-1173
Mexico - Laura Ehnis, MBA'94, 52-5-225-6633
Nigeria - Fidelis Chukwuka Emuwa, MBA'87, 234-1-269-4660
Singapore - Pheng-Lui Chng, MBA'84, 65-772-6433
Thailand - Sathist Sathirakul, MBA'90, 66-36-373-373 ext. 129

To start a club in your area, contact Mary Perrydore, interim director, Alumni Relations, (313) 763-5775.

"We had about 20 people," says club correspondent **Michael E. Weber, MBA '91**. "Professor Bodurtha discussed the evolution of the derivative industry as well as some current issues in the field of derivative finance including recent scandals, the teaching of derivative finance, and what companies need to learn in order to manage their derivative operations. It was quite good."

Weber says the club has two to three events a year. For more information, contact him at (202) 874-0877 or via e-mail Michael.Weber@wpgate.irs.gov

CEMP Summer Jobs Flourish at the Border Between the Environment and Business



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CEMP student
Mark Milstein on
Weyerhaeuser
forest lands,
where he is doing
assessment work
for the White
River Watershed.

its in the Corporate Env
tfwSv a Powerful Mix of Skill **ISSaffmfBftM**

Awareness of Financial Drivers with the Needs of the Environment



WILLIAM BURNIDGE

Summer Project: Researching cattail management in a Costa Rican wetland

"My interests are in natural resources, but many of the skills I wanted and needed are in the Business School. The CEMP program has given me the knowledge to talk to a set of people I otherwise would not communicate with effectively. I understand where they're coming from and can now talk to them in a language they understand."

William Burnidge loves wetlands (he grew up getting his feet muddy and playing with frogs and turtles in a pond in his back yard). He has learned to hate cattails because they are monoculture forming, he says, and they can destroy many functional values of wetlands, ruin waterfowl habitat, reduce diversity and outcompete many other plant species.

His summer internship involved investigating whether cattle can be used to help manage cattails in Palo Verde, a national park in Costa Rica. It's controversial to use cattle in a national park in the tropics, he says, and the topic is very interesting from a policy perspective. Does it make sense to have the cattle in the park? Does it set the wrong precedent?

He explains that cattail management involves three stages. First a tractor is used to crush the cattails before the beginning of the wet season. They are then short enough to be drowned when the water rises.

Two species of grass then grow in the area that has been freed up by

killing the cattails. This is where the cattle come in. They keep the grasses short enough so that the water can eventually drown the grasses, thus restoring the open water necessary for good waterfowl habitat. If the cattle solution works, you would be using biological control of the grasses while at the same time returning economic benefit to local people, which in turn would make them look more favorably on the park.

In his research plot of about 59 acres, William has set up six areas fenced off so they are inaccessible to cattle. He says he can hardly wait to get to the area next season, to see how the fenced areas may differ from the ones the cattle have grazed. He is also writing a case study of the area, which had been a cattle ranch before it was established as a national park in 1980 and cattle were removed from the land. At that time, the cattails started to invade. No one knows why they exploded then, but one possible explanation is the removal of the cattle. "There are different scientists on different sides of the question," says William, who admits to ambivalence himself. "Everyone agrees that the wetland should be managed, but not everyone agrees that it should be managed by cattle. It's a win/win if it works, but I'm not sure it can be justified ecologically. Data from another season should help clarify the situation."

Before joining the CEMP program, William worked in Chicago for a civil engineering company that did wetlands consulting for residential and commercial real estate developers. "In that job, I could see very well the impact of policy and regulation on wetlands. It can be very contentious." While an undergraduate at the University of Wisconsin at Stevens Point, William did two summer internships in wetlands ecology, and says he wants to work with landscape management and land use issues when he graduates. •

CLAUDIA HARNER

Summer Project: Evaluating how the newly developed ISO 14000 international environmental standards will affect NIKE's global operations

"CEMP provides a great balance between business expertise and environmental policy training. Being in a program with such diversity of content translates into many exciting opportunities for students."

Claudia Harner spent the summer developing and analyzing an initial environmental impacts survey for all of NIKE's domestic facilities in order to increase understanding of what NIKE's true environmental issues were. The survey covered water use and water pollution, energy consumption, air pollution and ozone depletion, waste disposal, toxics, transportation, materials, and sudden events and emergency preparedness. "Knowing where you are in terms of environmental issues is the first step in creating an environmental management system — which is an integral part of the new ISO 14000 environmental standards," she says.

"CEMP students have a wonderful mix of possibilities available," says Claudia, who goes on enthusiastically to describe opportunities that have come her way. Example: this spring she and three other CEMP students did a marketing and feasibility analysis for an Israeli company that has developed a state-of-the-art particulate analyzer technology. She is also looking forward to the possibility of developing a strategy companies can use to meet their commitments

to reduce greenhouse gases under the UN convention framework on climate change ("it's the combined expertise CEMP offers in both the environment and business that makes this project a possibility," she says). She also cites opportunities for summer internships and projects provided by the CEMP advisory board (consisting of 17 representatives from industry, consulting groups, and environmental and non-governmental organizations); and the wide networks that are available through Stu Hart, associate professor of corporate strategy who is the director of CEMP, and Garry Brewer, director of the Erb Institute for Environmental Management.

Before entering the CEMP program, Claudia, who is fluent in German and Spanish, worked for Union Bank of Switzerland in

Zurich. There she developed a brochure for employees that promoted environmental responsibility in the workplace, wrote articles on the Bank's various environmental activities, and did economic research on Latin American countries. Claudia graduated from the University of Puget Sound in Tacoma, Washington, with a degree in international affairs.

Claudia's eventual goal is to work in the private sector, helping companies to integrate environmental initiatives into overall corporate strategy and to pursue the path of sustainable development. This summer she will be working in Alajuela, Costa Rica, at the Institute for Sustainable Development and Competitiveness as a research assistant, an opportunity she credits to the CEMP program as well. •



Claudia Harner at NIKE World Campus headquarters in Beaverton, Oregon.

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| science — how they think. I'll be a better manager now because I have these insights from the research side, as well as an appreciation of all the hoops companies have to go through because of environmental regulations."

Before he could develop the cost model, Chuck educated himself about the painting process; how the current system worked to capture and destroy VOCs; regulations in place for the control of the VOCs; and the elements involved in the research for the new system. The cost model he developed seemed to show that the new system would save

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money, but he says there were many assumptions and a lot of unknowns that now are being pilot-tested.

Before joining the CEMP program, Chuck worked as a senior consultant at Ernst and Young LLP doing economic and tax analyses for multinational corporations' transfer pricing policies. After graduation from Hobart College with a degree in economics, he was hired by an environmental consulting firm to perform environmental assessments for private industry. He then went to the Brookings Institution as a research assistant working with senior scholars on macro-economic policy.

Eventually Chuck wants to be in a manufacturing or consulting setting, helping businesses improve their operations and financial positions by implementing economically and environmentally sound manufacturing processes. "When making financial, operations, or strategic decisions you often have to consider the environmental implications from a cost and revenue perspective. I have that insight when I come to the table. That's where I see my niche."•

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CHUCK HORN BROOK

Summer Project: Developing a cost model for manufacturing operations, Ford Motor Co.

"You have to be prepared to think in two different ways. You can go from a forest and land policy class in the School of Natural Resources and Environment, where you're talking about the forest service, to a corporate strategy class at the Business School where you're discussing the proper acquisition strategy for company growth. It keeps you on your toes."

Painting a car is one of the most complicated processes," says Chuck Hornbrook, talking about his summer job. "There are so many variables that have to be balanced operationally — everything from getting the right amount of paint on the car with minimum waste to capturing the solvents that are used to clean up the paint lines when the colors are changed."

Chuck's internship was instituted by CEMP board member Irving Salmeen, manager of the chemistry department at Ford Motor Company. Chuck worked in the research division of Ford, developing a cost model for a bioreactor that might be used to destroy volatile organic compounds (VOCs) related to the painting process. A method had been developed that worked in the laboratory, but the economic feasibility was not clear.

"I learned a lot from being on the research side," says Chuck, who shared an office with a scientist working on catalysts at the molecular level. "I developed a great appreciation for those who work in natural

BRIAN BRENTON

Summer Project: Economic analysis of exotic fish species in the Great Lakes

"At the School of Natural Resources & Environment, people are interested in environmental research. The Business School gives that a different spin because it wants to know not only what happens and why it happens but also who is going to pay for it. The CEMP program is a big step toward getting people to meet in the middle."



Brian Brenton, who describes himself as an "avid fly fisherman," says his interest in the environment began at the age of eight, when he started going on fishing trips with his grandfather and uncle. "I have a self-serving interest in fish," he says. "I'm interested in aquatic ecosystems and keeping rivers clean." As a CEMP student, he set out to study the economic costs of invasive fish species in the Great Lakes.

Brian is creating a multi-species interactive computer model to simulate the effects of ruffe, an invasive Eurasian perch-like fish, on walleye and yellow perch populations in the Great Lakes basin. The model is initially being calibrated for Western Lake Superior, where the accidental introduction of ruffe took place in the late 1980s. "The ruffe is a nondescript little grey fish that is taking up resources and thus displacing native species," he explains. "It is more effective at feeding than some of the native species. At the same time, predator species don't like to eat ruffe, and those two factors taken together are creating a population explosion." This in turn may have major economic impact. Will it put commercial fishermen out of business? What about tourism based on fishing?

"The commercial importance of native fish stocks in both Saginaw Bay and Lake Erie far outweighs those in Lake Superior, because of the much larger number of both commercial and sport fisherman in those waters," says Brian, adding that the economic impact of ruffe could be larger even than its biological impact. "Once the model accurately mimics the observed population dynamics in Western Lake Superior, we can change various parameters to simulate ruffe introduction into warm water environs such as Saginaw Bay and Lake Erie. Then we can start predicting the economic impacts of ruffe based on population figures derived from my computer model."

Brian's project is being done under the direction of Edward Rutherford, assistant professor at the School of Natural Resources and Environment, who is working with a group of fisheries biologists located at the University of Minnesota. A number of schools are participating in the ruffe study, including the University of Minnesota, Notre Dame, Loyola, and Ohio State University.

After graduation from Michigan State University with a degree in mechanical engineering, Brian worked for three and a half years with Andersen Consulting, where he built information systems for utilities companies. "Initially, the work didn't have an environmental bent," he says, "but it gave me contacts with hydro-power and air pollution people, and through those contacts I began to be more and more interested in environmental cost accounting issues." He decided to come to the Business School because, he says, "I had seen the nuts and bolts of corporate information systems in my work at Andersen Consulting, but I wanted to better understand some of the higher-level drivers of business, as well as getting a solid background in accounting and finance." In the future he wants to do environmental consulting, because "environmentally sound technology pays for itself in the long run, and accurate environmental cost accounting should be able to quantify that." B

JENNIFER FINLAY

Summer Project: How to protect a biologically diverse area being impacted by dam development in Laos

"Dealing with a number of stakeholders gives you access to value judgements different from your own, which may result in more sustainable decisions because you're forced to listen with more weight to all the different views."

Jennifer Finlay spent the summer in the Lao People's Democratic Republic, one of the world's poorest countries where 85% of the 4.5 million people live in rural villages and barely can meet their subsistence needs. Her work, done for the Lao Department of Forestry and the Lao program of the Wildlife Conservation Society, aimed to identify and design a decision-making process for conservation zones.

"It was an incredibly complex experience," she says. "The forces, both economic and biological, were overwhelming. You have an international market system (timber, dam construction, and trade in animal skins and bones) competing with traditional use systems (subsistence agriculture, local rattan gathering, local hunting for subsistence)." Her goal was to research multi-stakeholder involvement in this complicated situation.

The area in which Jennifer was working contains habitat where two new large mammal species have been discovered (Saola, Large Antlered Muntjac) and one species has been rediscovered after it was



•4 Jennifer Finlay in Laos with Stuart Chape, program director of the Lao International Union for the Conservation of Nature, who worked with her on the protected area program.

developed a process that could be used to work with selected villages to promote their own efforts to build sustainable, self-directed development strategies. Finally, she proposed an initial cut at a zoning classification. She explains that zoning can provide local people with legitimacy to use their own land, and makes them stakeholders in the process, although there

are risks because more powerful stakeholders may delegitimize some of the villagers' needs. "I was trying to create a structure to allow a dialogue to take place among all the stakeholders," she says.

thought to be extinct (Indochinese Pig). It also harbors some of the last remaining primary white pine and evergreen forest in Asia. There are 28 languages spoken by six distinct ethno-linguistic groups in the area. Many of these hilltribe groups are hunters and gatherers who have lived in relative isolation in the mountains and have maintained their unique cultural traditions, she says, including herbal medicines, natural contraception, and other knowledge of plant life systems that has not been documented or researched.

Jennifer's project was divided into three parts. After researching approaches to conservation currently being used in Lao PDR and identifying how community development and conservation programs were being designed, implemented, monitored and evaluated, she

Jennifer graduated from Pitzer College, California, with degrees in Asian studies and political science, and after a year of post-graduate study in Southeast Asia, organized workshops and training programs for U.S. and Chinese industry and government leaders on stratospheric ozone protection efforts and energy efficiency. She then went to work for the World Bank, where she focused on multi-lateral ozone protection efforts. After joining the CEMP program, she spent a summer working with Dow Plastics drafting a potential environmental emissions template for current businesses. •



D.C. Goings

KEVIN GREINER

Summer Project: Evaluating companies for an environmental venture capital fund

"The venture capital field is highly interdisciplinary, and so the interdisciplinary nature of the CEMP curriculum was a major asset. I was in an excellent position to evaluate a company's prospects because I understand the trends in the environmental marketplace, in terms of both economic and regulatory drivers."

With venture capital, you are constantly facing unstructured situations," says

Kevin Greiner, who spent his internship working in New York City for Sanders Morris Mundy (SMM), an investment banking firm known for its environmental industry expertise. "I'd be going through a business plan and thinking, what are the marketing issues this company faces? What competitive issues must they concern themselves with? How about the management team? The job really integrated all the different disciplines that I had studied in the CEMP program."

Kevin was evaluating companies for SMM's new \$38M Environmental Opportunities Fund (EOF) which makes investments in small environmental service and technology companies. Sometimes this involved traveling and included visits to a zinc oxide manufacturing plant, a designer and builder of rotary hearth furnaces, and various corporate offices.

"Because of my CEMP training, I've been able to augment my general finance, accounting and marketing skills with a specialized knowledge of environmental issues and how they affect business oppor-

tunities," says Kevin. "Michigan does a really good job of mixing case and theory so you come out with a very strong theoretical background but I also have learned to apply that theoretical background to case situations."

He goes on to say that his work involved four phases. "First I looked at potential deals, read business plans and talked to managers to get a feel for the business," he says. "The next step was completing the due diligence requirements, which involved a careful analysis of the company, its operations and markets. After that, you try to determine what you will pay for the company's stock. That involves valuation analysis as well as negotiation if there is disagreement about the valuation. The fourth stage is working with the company as a consultant, because the Fund's involvement did not end once it had bought a company's stock. A \$3-5 million investment in a small company quickly makes you one of the major shareholders. Since the Fund's success was dependent on the company's success, we served as consultants and financial advisors as well as investors."

After graduating from Wesleyan University, Kevin spent four years in environmental policy consulting for ICF Kaiser, where he specialized in analyzing the costs of federal environmental regulations and proposing alternative regulatory approaches. On behalf of the U.S. EPA, he also performed numerous on-site inspections of hazardous waste facilities. He now continues to consult with one of the companies he worked with over the summer, and is currently busy in a Global Project Course doing a marketing analysis and feasibility study for an Israeli company with a wastewater technology monitoring process. He and his classmates worked with the company in Israel over the spring break, as well as visiting companies in Britain and Holland interested in the technology. His team is now preparing a final report on the project. •

MARK MILSTEIN

Summer Project: Analyzing Washington State's Watershed Analysis Program for Weyerhaeuser

"There were heightened emotions on all sides: managers, representatives of state agencies and tribal organizations, owners of forest land. I got to observe how the different players interacted. It was a perfect combination of marketing, strategy, and conflict management, and a great example of the sort of non-traditional investments businesses have to make to be successful and thrive."

ik I was working at the boundary where industry, government, non-governmental organizations, academic institutions and the public interact," says Mark Milstein, whose 14-week internship was with Weyerhaeuser Company, one of the largest timber companies in the world. There he developed a survey and distributed it to over 200 participants in the Watershed Analysis Program inaugurated by the state of Washington, receiving a response rate of over 50%. In addition, he conducted a series of in-depth interviews to gain further insight and anecdotal evidence on the program. "We wanted answers to questions like: How does a program like this serve a private business? Where does it fit into organizational strategy? What can we learn from it?" he explains.

Mark's internship came about through the efforts of John Begley,



strategic planning director at Weyerhaeuser, who is on the CEMP advisory board, and who made a commitment to provide an internship that would enable a student to work on environmental issues central to the company's operations. The Watershed Analysis Program was designed to deal with cumulative effects of forest practices — such as logging and road building — on public resources like fish habitat and water quality. Those regulations directly affect the operations that occur on Weyerhaeuser's 1.5 million acres of timber in the state. The program attempts to provide a more stable regulatory environment for industry while providing better protection for the environment. It also facilitates collaboration between timber companies, state agencies, federal agencies, Native American tribes, environmental groups and the public.

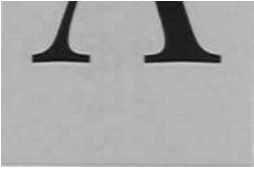
Mark's analysis of the survey responses and the interviews revealed a general trend that all of the major stakeholders were pleased with the program, despite previous

suspicions that some stakeholders didn't support it. The survey was helpful to policy makers at Weyerhaeuser who wanted to know how other organizations were implementing the program, what aspects of the program were motivating participation, and how these learnings could be applied to improve program implementation. "It was a perfect combination of all the things I had been studying in CEMP. I'm interested in marketing, strategy, conflict management and alternative dispute resolution," says Mark. "I got a chance to observe what works, what doesn't work and the ways different players interacted. Non-traditional assets like the education of the

workforce, environmental quality, and community involvement, have traditionally been outside the four walls of a business but actually they have a huge effect on a company's success." He has made several presentations to the company and other stakeholders about his findings concerning trends that were uncovered in the survey data.

Mark is interested in how companies work with external stakeholders to achieve sustainable development, to manage disputes, and to develop proactive environmental policies. After graduating from the University of Michigan with a degree in economics and Japanese, he spent two years as an instructor, cultural liaison and consultant in the Japanese public school system. He then spent a year at Nanzan University in Nagoya building his Japanese skills and studying foreign entrepreneurship. The year before his CEMP internship, he spent a summer at Procter & Gamble's general export division in Geneva, Switzerland, where he worked on product launches to developing markets in the Middle East. •

MONG OURSELVES



Business School Opens New Asia-Pacific Regional Office

The strong position of the University of Michigan Business School in Asia is now even stronger, owing to the opening of a regional Asia-Pacific office located in Hong Kong.

"Given the rapid economic growth of the region, there is a tremendous need for management development," said **Arthur Yeung, Ph.D.** '90, who is executive director of the new office. "We are creating close relationships with leading corporations in the region and will develop customized programs for them on a long-term basis. This will be one of our major avenues for growth in the region."

Currently, the University of Michigan Business School offers close to 20 public executive education programs in Hong Kong, Singapore, Bangkok, India and Taiwan. With the establishment of

the regional office, the School also will target emerging markets such as China, Indonesia and Malaysia for new offerings.

The office will also identify corporations interested in sponsoring their managers for the Global MBA program in the region, according to Yeung.

The office is sponsoring the Asia-Pacific Human Resource Partnership, consisting of the top human resource executives of 30 leading corporations. The partnership includes representatives from ABB, AlliedSignal, AT&T, Cathay Pacific, Colgate-Palmolive, Cummins Engine, Digital Equipment, Dow Chemical, DuPont, Federal Express, Fuji Xerox, Honda, General Electric, General Motors, Hongkong Telecom, Hewlett-Packard, ICI, Jardine Pacific, Kodak, Mitsubishi, Motorola, NEC,



Arthur Yeung, Ph.D. '90 is executive director of the newly established office of the U-M Business School in the Asia-Pacific region. The office is located in Hong Kong.

Northern Telecom, Pepsico, Philips, Samsung, Shiseido, Sony, Taiwan Semiconductor, and Volkswagen. The partnership aims to create a knowledge bank that will track the best HR practices of leading corporations in the Asia-Pacific region. It will also sponsor regular forums and conferences.

Besides Director Yeung, the office is being staffed by

Jennifer Mak, who is in charge of executive education programs, and Carrie Fok, manager of the Global MBA program. To contact the new office, write: The University of Michigan Business School, Suite 1106, Asia-Pacific Finance Tower, Citibank Plaza, 3 Garden Road, Central, Hong Kong. Telephone: 852-2509-9088. Fax: 852-2509-9228.

Students for Responsible Business Inaugurate Strong Chapter at UMBS

You don't have to work for Ben and Jerry's or have solar panels on your house to belong to the UMBS Students for Responsible Business (SRB). They see themselves as the "big tent" SRB chapter. Maybe that's why the UMBS contingent of 34 registered conference goers was the largest of any group attending the SRB national conference this fall, with the exception of the

group from Northwestern's Kellogg School of Management, which hosted the session. Over 400 MBAs from almost 30 schools attended.

The conference featured speakers from private, public and nonprofit sectors. It also offered a variety of workshops on such topics as public-private partnerships, community-based financing, green marketing, and international sourcing guidelines.

Douglas Cahn, director of human rights for Reebok International, was at the School in February to speak under the sponsorship of Students for Responsible Business, the Center for International Business Education, the International Business Club, and the Student Government Association. He has led the development, and oversees the implementation of, interna-

tionally recognized workplace human rights standards. He also manages the Reebok Human Rights Awards program, which recognizes young individuals for work on behalf of human rights. "The talk gave us a chance to hear someone who works at the nexus of complex international business issues on a day to day basis," said one appreciative student.

Price Waterhouse LLP Gives Collegiate Professorship To Honor the Late Professor Victor Bernard



A Paul E. Weaver, MBA '72, vice chairman, Price Waterhouse LLP, announced the creation of the Victor L. Bernard-Price Waterhouse LLP Collegiate Professorship of Accounting during ceremonies at the School November 18.



A Marie and Lewis Bernard, children of Professor Victor Bernard, were among the guests at ceremonies announcing the Victor L. Bernard-Price Waterhouse LLP Collegiate Professorship of Accounting. They are pictured with Dean B. Joseph White.

66T^ relationships Remem- Xvbered, Relationships Continued" was the theme at ceremonies announcing the creation of the Victor L. Bernard-Price Waterhouse LLP Collegiate Professorship of Accounting November 18 at the School. The professorship was presented by **Paul E. Weaver, MBA '72**, vice chairman, Price Waterhouse LLP.

The new professorship honors the late Victor Bernard, Price Waterhouse Professor of Accounting and also director of the Paton Accounting Center. He was a highly influential accounting scholar and a beloved teacher before his tragic death of cardiac arrest at the age of 42 after a midday run.

"Vic was our colleague and meant the world to us,"

said Eugene A. Imhoff, Jr., chair of the accounting department, in accepting the professorship. "This chair is significant in that his name, and all that he stood for, will be memorialized. Vic was known throughout the world, and the person that is named to the post will be honored to receive a professorship in Vic's honor."

Also taking part in the ceremony were **Robert G. Nichols, BBA '53, MBA '54**, and **Lionel T. Endsley, BBA '65**, both partners at Price Waterhouse; Larry Scott, director of the Price Water-

house Foundation, and Dean B. Joseph White. About 100 people attended, including Bernard's two children, Marie and Lewis, and other members of his immediate family.

Bernard, who joined the UMBS faculty in 1982 and became a full professor with tenure six years later, twice received the AICPA/American Accounting Association's award for Notable Contributions to Accounting Literature. He was one of only ten people in the past 30 years to receive the award more than once.

In addition to earning national notice and acclaim for his influential research, Bernard also won the devotion of his students. He was the first winner of the School's Leadership in Teaching Award, established by the faculty in 1994 to recognize excellence in the classroom as well as important multi-year contributions to teaching. Among other things, he developed a new MBA elective — Financial Statements Analysis and the Role of Information in the Capital Markets — that over the years grew to be highly popular. His sections were always oversubscribed by students. As one colleague put it, "He was *the* role model in accounting for both junior faculty and Ph.D. students." Since his death, the award has been renamed the Victor L. Bernard Leadership in Teaching Award.

Prahalad and Lieberthal Discuss Emerging Markets

China and India — two of the world's most powerful emerging markets — were discussed at length in a joint presentation by C.K. Prahalad, who went into the factors that make India a much different place to do business than China, and Kenneth Lieberthal, who discussed the driving issues in China's future that will affect business opportunities there.

This was the first time that these two highly respected professors have joined together for a presentation, and Hale auditorium was crammed to the walls, not only with students, but with corporate executives participating in a program titled "A Day with the Thought Leaders."

Lieberthal pointed out that China was no longer a planned economy but was not yet a market economy. Somewhere in the middle was a system that allowed the political system to be the engine of business growth. Local governments could, in many ways, act like local business enterprises and be directly involved in generating economic growth. Prahalad commented that India, on the other hand, is a democracy and has been the long-time home to offices of many multinational corporations. "If you think of world markets as being on

a continuum, with free markets on one end and command economies on the other, India is at an advanced phase of the transition into a fully market-based economy."

Lieberthal, the William Davidson Professor of Business Administration and professor of political science, has written and edited a dozen books and numerous articles on China, and consulted widely on Chinese affairs. He has been with the Center for Chinese Studies since 1983, and was its Director for three years. He speaks both Russian and Chinese, serves as an area specialist for the Global Leadership Program of the University of Michigan Business School, teaches in Executive Education programs here, is Director of our degree programs on Chinese business, and is also a faculty associate of the Center for Russian and East European Studies.

Prahalad, the Harvey C. Fruehauf Professor of Business Administration and professor of corporate strategy and international business, specializes in the dynamics of the global marketplace. His contributions to strategic thinking are legendary. He has co-authored seven *Harvard Business Review* articles — two of which, "Strategic Intent" and "The Core Competence of the Corporation," have won coveted McKinsey prizes. He is a major factor in the University of Michigan Business School's outreach to India as part of its overall program of working with transitional economies.

Questions About Corporate Governance & Responsibility Addressed with Help from the Sloan Foundation



Photos by D.C. Goings

Two recent speakers at the heavily subscribed class on corporate governance spoke on corporate social responsibility from the point of view of both theory and practice. Speaking from the theory side was (pictured left) Thomas W. Dunfee, Kolodny Professor of Social Responsibility at the Wharton School. His current research interests focus on integrative social contract theory and business ethics and on developing ethical standards for business transactions. Speaking from the practice perspective was Muhammad Yunus, managing director of the Grameen Bank in Bangladesh, the world's most renowned microcredit lender (pictured right). His work has transformed the lives of thousands of people in Bangladesh, giving women independence and their children proper nutrition, health care, and a good education. The class was made possible by a grant from the Alfred P. Sloan Foundation, which has awarded the Business School a grant to examine the purposes and accountability of the firm for the 21st century.

What does the turn of the century mean for corporate governance and accountability? How can the firm meet the needs of its stakeholders? How will stakeholders monitor firm activity? What are the boundaries of the firm? These and other questions are being explored in a winter term class as part of a project on corporate governance funded by the Alfred P. Sloan Foundation. Originally, about 30 students were expected to sign up for the class; 120 are now taking it, including students from the law school.

Each class features prominent speakers from both the world of research and the world of practice. Speakers from the world of practice

include Andrew Moore, managing director of Wasserstein Perella & Co., Inc.; Ken West, senior consultant for corporate governance, TIAA-CREF; Chief Justice E. Norman Veasey of the Delaware Supreme Court; Ernest Micek, CEO, Cargill; William Bowen, president, Andrew W. Mellon Foundation; Norman Augustine, CEO, Lockheed Martin Corporation; William Marohn, COO, Whirlpool Corporation; and Lawrence Bossidy, CEO, AlliedSignal.

The first seven weeks of the class focused on the foundations of corporate governance, and the second seven weeks is focusing on the challenges to corporate governance caused by

changes in such factors as the law, capital markets, the nature of work and the nature of organizations, product market competition, and the rise and challenge of transitional economies.

In addition to the class, scholars are writing a paper in which each author will use his/her expertise to focus on this complex issue from an interdisciplinary perspective. Researchers include Cindy Schipani, associate professor of business law; James Walsh, professor of organizational behavior and corporate strategy; Michael Bradley, professor of finance and law at Duke University; and Anant Sundaram, associate professor of international business at Thunderbird University.

MLK Day Events Include Speeches by Julian Bond, Dick Gregory

A standing room only crowd in Hale Auditorium and two prolonged standing ovations served as the backdrop for Julian Bond's impassioned address, "Civil Rights: Then and Now."

Bond, a historian and civil rights leader, was the featured speaker at the Business School's annual Martin Luther King Day observance on Jan. 20. His talk was "one part history lesson, one part sermon, and one part call to arms," remarked Michael Krivan, a second year MBA student and reporter with the *Monroe Street Journal*.

"All of us here, God willing, will soon see what almost no Americans living now have ever seen—the birth of a new century and



Michael Schimpf

the death of an old one," Bond said to the crush of UMBS students, faculty, staff and members of the Ann Arbor community in attendance.

"We ought to take time now to remember that movement led by King. How its earlier progress was won, and... once secured, how fragile it has become.... A movement whose central goal," he said, "has always

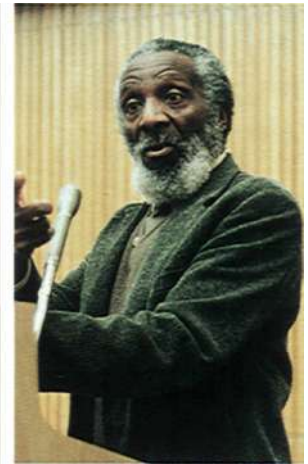
been the elimination of strictures based on race."

Bond acknowledged the major milestones of the civil rights movement in this century: the founding of the NAACP in 1909; the Supreme Court's 1954 decision to end segregation in the public schools; the 1955 bus boycott in Montgomery, Ala.; and the election of Lyndon B. Johnson to the presidency of the United States.

Bond praised LBJ. "In Lyndon Johnson, the movement found a match," he said. During his time in office, "The fabric of legal segregation came undone." Johnson signed into law the Civil Rights Act of 1965.

With this century coming to an close, Bond said a primary goal of the civil rights movement is the attainment of economic justice. "The right to decent work and decent pay remains as basic to human freedom as the right to vote," he declared.

Completely candid, sometimes humorous and always impassioned, Bond articu-



The University of Michigan's Black Student Union and the National Association of Black Accountants teamed up to bring Dick Gregory—comedian, author, anti-drug crusader and civil rights activist—to Hale Auditorium for Martin Luther King Jr. Day.

lated the essence of his message: "I hope young people learn the major lesson of the civil rights movement of the 1960's: People move forward fastest when they move forward together."

Tenth Annual Real Estate Forum Honors Five Top Developers

Nearly 500 people from across Michigan and around the nation attended the Tenth Annual Real Estate Forum last November and heard five of the state's top developers discuss "Emerging Trends in Real Estate."

The five men, chosen by the real estate industry publication *Commercial Inc.* Magazine, were honored for the major contributions each has made to the commercial real estate industry in Michigan. Honorees were Matthew P. Cullen, director of World

Wide Real Estate for General Motors Corp.; Nathan Forbes, a partner in Forbes/Cohen Development in Southfield, Mich.; Stuart Frankel, principal of Stuart Frankel Development Co. in Troy, Mich.; Dennis E. Gershenson, president and chief executive officer of Ramco-Gershenson Properties Trust in Southfield, and Bernard Glieberman, president of Crosswinds Communities, Inc., in Novi, Mich.

The two-day event, which is jointly sponsored by the

Business School and the College of Architecture and Urban Planning, focused on real estate opportunities in Detroit. Albert Ratner, co-chairman of the board of Forest City Enterprises, Inc. and a leader of the Cleveland revitalization effort, was the keynote speaker.

"We selected Detroit as the focus of this years' forum because the city is simply brimming with activity," said Peter Allen, of Allen & Kwan Commercial in Ann Arbor and chairman of the

forum. A bus tour of Detroit highlighted new developments in entertainment, retail, commercial, industrial and residential real estate.

The purpose of the forum is to raise the level of real estate professionalism and education in the southeast Michigan region by networking with regional and national experts in the field. Students and practitioners, business people and public-sector employees are invited to participate.

'Relationship Management' Redefines Office of Career Development

When *Business Week* magazine ranked the UMBS the No. 2 business school in the world last October, it rated its placement office second in the world too. "We were the only school that was among the top five in *both* categories," says **Jeanne Wilt, MBA '89** and director of the school's Office of Career Development.

Wilt is pleased. The placement office ranking, which is based on student and recruiter surveys, came seven months after a major reorganization of the office. In early 1996, Wilt introduced what she calls 'relationship management' to meet the needs of UMBS students and corporate recruiters more effectively.

Services are now organized by industry sector and include Consumer Goods, Consulting, Investment Banking and Telecommunications. Sector Managers have been named for each area and serve as the points-of-contact for company recruiters and students. It is in this streamlined environment that relationships, particularly with the companies, can be developed and expanded, she says. "I think the No.2 ranking by *Business Week* is an endorsement by students and recruiters that we are on the right track."

Administrative offices were also renovated and are now located directly across the hall from the recruiting suites. The suites and adjacent student waiting area were refurbished

and three new suites and a lounge area for recruiters were added.

New Career Center for Students, Alumni

As part of the overall reorganization, a new and expanded Career Center was established on the main floor of Kresge Library. The new location is now steps away from the computer terminals needed to access job search databases.

Other amenities to the center include six rooms equipped with full audio/visual equipment for career counseling sessions and mock interviews.

The center serves students and alumni. "We get more than 1,000 queries a year from alumni," says Allan Cotrone, associate director. "Most job changes are made through some form of networking. There is tremendous network potential at the Business School."

The Career Center offers the following services to UMBS graduates interested in a job change:

- THE ALUMNI CAREER NETWORK, a detailed list of job opportunities published twice a month by UMBS and sent to subscribers for a small fee. For information, call (313) 763-1370.
- AN ALUMNI CAREER PACKET containing a copy of the Alumni Career Network, a worldwide UMBS club directory with individual contacts, a list of search firms organized by

state, Internet career sites, and guides for resumes and cover letters. For information, call (313)764-1373.

- MBA CENTRAL, an Internet-based job information system for business school students and alumni worldwide. It can be accessed free of charge at Kresge Library; information is included in the Alumni

Career Packet.

- MBA INTERIM SOLUTIONS, a subscription-based Internet sendee matching alumni from business schools in the U.S. and Europe with corporations in need of interim managerial and analytical employees. Information on this, too, is included in the Alumni Career Packet.

Dave Ulrich Honored by DuPont with \$10,000 Scholarship Gift



In recognition of the work Professor Dave Ulrich has done with E.I. du Pont de Nemours and Company, the company has donated \$10,000 to the Richard Ulrich Minority Student Scholarship, a scholarship created by Dave and Wendy Ulrich in honor of Dave's father. The plaque honoring Ulrich's work was presented to him by Daniel W. Burger, Jr., vice president of human resources at DuPont. Pictured left to right are: Wendy Ulrich, Dave Ulrich, Daniel Burger, and Lew Schumacher, manager of college relations at DuPont. Ulrich is on the core faculty of the Michigan Executive Program and is also co-director of Michigan's Human Resource Executive Program and of the Advanced Human Resource Executive Program. He has consulted and done research with more than half of the Fortune 200 companies, and was cited in *Business Week* as one of the world's top ten faculty in executive education. His research assesses how organizations change, formulate strategies for competitive advantage, and integrate human resources into strategic goals.

Business Students Travel to California for First Annual West Coast Forum

More than 50 students and 150 recruiters and alumni from such companies as Netscape Communications, Sun Microsystems, Silicon Graphics, Intel Corp., Bank of America and Robertson Stephens & Co. gathered in Menlo Park, Calif., in January for the first annual West Coast Forum, two days of networking, job interviewing and plant touring.

The Forum, which was the brainchild of Andy Wong, a second-year MBA student, was organized by the Telecom Club, the Finance Club, Global Blue, the UMBS Club of Northern California, and the school's Office of Career Development.

"I have been considering the idea of a West Coast Forum since the day I applied to Michigan," Wong says.

His idea proved to be a good one. Organizers targeted members of the high technology, telecommunications and investment banking industries with offices located on the West Coast.

The response was strong. "We officially had 14 companies on the interview schedules," says **Jeanne Wilt, MBA '89**, and the director of Office of Career Development. "Two more hopped on at the last minute and held interviews in the hotel lobby."

"Many of the firms, especially some of the smaller technology firms, do not have a significant recruiting budget, let alone a structured recruiting process," Wilt continues. "Our approach was to let firms know that OCD can make it easy and inexpensive for them to interview candidates from a

Jerry Nightingale, MBA'70, of Royal Alliance (left), and Angela Hinton, MBA'87, vice president of commercial card programs for Visa International discuss the employment environment with Morris West, MBA'95. •



• **First-year MBA students (left to right) Bill Muir, William Johnson and Job Lawrence barrage Bill Vanderwall, MBA '88, manager of IS applications for Netscape, with questions about the Internet's first provider of "open" software.**

• **Bob Feller, MBA'96, a senior financial analyst at Tandem Computers, shares experiences of his first year on the job with Rose Rodd, a second-year MBA student.**



top business school. Some companies, such as Silicon Graphics, have already committed to increase on-campus recruiting as a result of the forum."

Follow-up comments by the recruiters served as an endorsement of the event:

"An exceptional, strong group of candidates who were very comfortable to be with," wrote Merrill L. Martin, of Apple Computer, Inc.

"Great opportunity for employers who otherwise would not include Michigan in their recruiting efforts due to geography," added Rich Wong, of Advanced Micro Devices.

"All the students were prepared and presented themselves well. I was very impressed," concluded Tim Shetler, of Informix Software.

Citibank Awards Recognize Academic Achievement



Thomas E. Jones, executive vice president of Citibank, was at the School this fall to present the Citibank Academic Excellence Awards to six MBA students. The \$2,000 awards honor the top student in each of six MBA sections. Jones, who has been a member of the School's Corporate Advisory Board for the past five years, is pictured with award winner Jeffrey Williams, and his wife, Allison.

ass Notes

50 Rose Potcova Szoke BBA '50

writes that she and her husband, Kalman, are "making a large life change." In November, the couple moved from their home in Buffalo, NY, to Las Cruces, NM, "where life is lovely in a warm climate and we reap the benefits of living in a college town...." The move culminates a series of lifestyle changes—including vegetarianism and daily walks—that were prompted by Kalman's near-fatal heart attack in late 1995. "We want to feel better," Rose said in a *Buffalo News* article that featured the couple. "We don't just want to live longer, we want to be healthy and active."

The couple's daughter is **Kristina Szoke Cullom MBA '85**.

/C*j Gordon G. Shaw MBA '65

has been elected chair of the Conference Board's Council of Strategic Planning Executives. Gordon, who lives with his wife, Carol, in Stillwater, Minn., is executive director for strategic planning and international activities at 3M Corp. From 1984 to 1989, he served as managing director of 3M New Zealand in Auckland. "My planning activities take me regularly to Asia, Latin America and Europe," he writes.

66 Jeffrey J. Hodgman MBA '66

has been promoted to executive vice president of MetLife Insurance Co. for general account portfolio management and corporate equity investments. He oversees the company's investment portfolios and coordinates investment strategies for its general account and segmented product portfolios. As head of the corporate equities unit, he is responsible for all public and private investments in common stocks, partnerships and other corporate equity investments for general account and insurance subsidiaries. Jeffrey is chair, president and chief executive officer of Metropolitan Series Fund, Inc., and a director of Metropolitan Property and Casualty Insurance Co., and several other MetLife subsidiaries, as well as the J.L. French Co. He represents the insurance company on a number of creditor committees.

George L. "Chuck" Fair BBA '63/MBA '64 Speaks on Intrapreneurship, Core Competencies and Getting Ahead

"The thing I notice most in corporate America, after 27 years of consulting to companies, is that very few people within a company are willing to take a risk," says **George L. "Chuck" Fair, BBA '63/MBA '64**. "They become very much wedded to what they are doing, and do not want to deviate from a path that has gotten them promoted or moved along."

Fair, who sits on the school's Corporate Advisory Board, speaks with authority: He is two years into the vice chairmanship at American Express Co. Prior to joining the credit card conglomerate, he built a distinguished, 27-year career at McKinsey & Co., the New York-based management consulting firm. There, he was a director, which is the equivalent of a senior partner.

Last fall, *Monroe Street Journal* reporter Greg Lipper, a second year MBA student, interviewed Fair for the newspaper, the contents of which are excerpted here. During the interview, Fair shared his views on intrapreneurship, technology and getting ahead. "I don't know how you teach somebody entrepreneurial skills," he says, "if it really boils down to having the courage to go out and try something new."

"I've always really believed that, in order to make your mark in business when you start out, you've got to do something really different.... But as people move up the management ladder they become no-sayers. Their whole job is making sure that nobody else does anything different than the prescribed way of doing things. I think that's terrible, and I think that this is one of the big problems that American industry has, namely dealing with how to break down barriers for people, so that they can take more chances."

To increase risk-taking in a large corporation—to increase intrapreneurship—Fair advises "rooting out a lot of the managers who basically think that being a manager means saying no."

"You ought to go out and do what you enjoy," Fair advises. "As soon as you stop enjoying the job you're in, leave. Go somewhere else. As long as you're challenged and growing, stick with where you're at. Do the right things, and people will find a way to promote you and to drive your career ahead."

Harry F. Immerman MBA '66

has been named national director of industry programs at Coopers & Lybrand L.L.P. A tax partner, he was previously co-chair of the New York office cluster pharmaceutical industry group and a member of Coopers & Lybrand International's pharmaceutical industry group. In his new position, Harry has management responsibility for the delivery of thought leadership—all industry-specific products and services that provide a competitive advantage—to clients throughout the firm's five lines of business: business assurance, consulting, human resource advisory, tax, and financial advisory services.

Jerome Kohel BBA '66

a certified public accountant, has been named by Michigan Governor John Engler to a second four-year term as chair of the

State Board of Accountancy. The board administers state law regarding the accounting profession.

67 Paul Foote BBA '67

is a professor of accounting at California State University. In April 1996, the *Washington Report on Middle East Affairs* published his article titled, "Iran: Neither East nor West." In August 1996, he returned to CSU after teaching two years at Sultan Qaboos University in the Sultanate of Oman.

/CO Johanna Bannon Becker MAS '69

has received two major appointments. An actuary for The New England, she has been appointed to the Reinsurance Committee of the American Council of Life Insurance and to the Cologne Life Reinsurance Company Client Advisor Council.

70 Maree Mulvoy
S BBA '70

was named 1996 Woman of the Year by the American Lung Association of Michigan for her volunteer efforts on behalf of the Southeast Michigan Chapter of the American Red Cross as well as the St. Hugo Hills Parish and the Academy of the Sacred Heart, both of which are based in Bloomfield Hills, Mich. Maree specializes in individual taxation and estate planning at Plante & Moran and represents the firm as a member of the Detroit Empowerment Zone CPA Group.

n Carlisle "Cardy" R. Davis
MBA '71

has been promoted to senior vice president of operations for the marine power products group at Outboard Marine Corp. in Waukegan, Ill. Cardy, who launched a second career at Outboard Motor a year ago after retiring from 37 years of service at General Motors, is responsible for worldwide manufacturing engineering and research for the group and for corporate quality, logistics and procurement.

Mark C. Steinman
MBA '71

has joined Spar Aerospace Ltd., a Canadian advanced technology company, as senior vice president and chief financial officer. As a member of the executive management team, he helps develop the company's strategic direction. Mark brings more than 20 years experience—primarily in the fields of communications and high technology—to his new position. Spar has operations in North America, Europe and the Pacific Rim.

72 Steven E. Silberg
MBA '72

reports that Maryland Governor Parris N. Glendening has appointed him to a six-year term as associate judge on the tax court, effective July 10, 1996. Five judges from across the state sit on this court.

13 Gregory R. McDuffee
BBA '73

has joined Premise Associates, Inc., a Detroit-based real estate advisory firm, as its new president. He is also a member of the board of directors of The Smith Group, Premise's parent company. Gregory brings 23 years of experience in real estate planning, management and development in

the metropolitan Detroit area to his new post. He was formerly the director of real estate development for the Warren/Conner Development Coalition in Warren, Mich., and the founder of the Historic Realty Company, a full-service real estate firm located in Detroit. He has received numerous awards for his civic activities. At present, he is vice chair of the board of trustees for Henry Ford Hospital, a member of the City

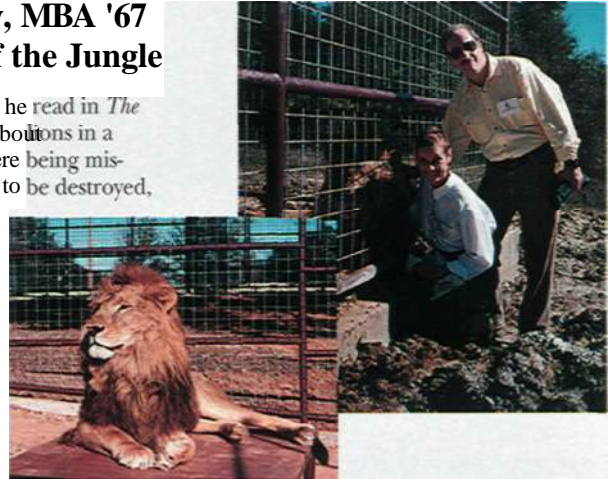
of Detroit/Wayne County Roundtable on Sustainable Development, and a member of Detroit Mayor Dennis Archer's Tercentenary Exploration Committee.

The Smith Group is a group of employee-owned professional service firms with offices in Michigan, Illinois, Wisconsin, Arizona and Washington, D.C.

Fred Brodsky, MBA '67
Saves Kings of the Jungle

Outraged by an article he read in *The Dallas Morning News* about lions in a Mexico City zoo that were being mistreated and might have to be destroyed,

Fred Brodsky, MBA '67, vaulted into action. He contacted the director of the Dallas Zoo, the American Society for the Prevention of Cruelty to Animals in New York, and people he knew at American Airlines and Texas Commerce Bank. So began a rescue mission called Operation Pride, that gained national media attention.



American Airlines agreed to transport the lions to Dallas, and a suitable home was found for them at the Texas Exotic Feline Foundation in nearby Boyd, Texas. What remained for Brodsky and his wife, Darla, was coordination of the fundraising efforts to build three 1,500 square foot enclosures for lions El Negro, El Canelo and Rocky.

Eventually the Brodskys solicited the requisite \$45,000 from 800 donors, some of whom could spare only five dollars with each paycheck. In the meantime, American Airlines flew a veterinarian each month to the San Juan de Aragon Zoo in Mexico City to check on the animals. When the great day arrived, Brodsky and others were flown down to collect the animals. Anticipating a hitch at customs, Brodsky had made arrangements with former House Speaker Jim Wright's office to have a Mexican lawyer meet them at the airport. After some haggling, the lions were free to leave.

"When the lions were released at the Feline Foundation, there were probably 40 people there," says Brodsky. There was not one dry eye in the place; if you had seen the wonderment of these animals as they were released into the Texas sunshine." It was a far cry from the 10 x 20 foot cages they had lived in previously.

Today the three cats are thriving. They have been expatriates for two years now. They're all doing super," says Brodsky, adding "they've each put on 100 pounds." Three months after they had arrived, Brodsky paid them a visit. He put his hand against the iron-link fencing of El Canelo's enclosure. The big cat came over and licked his palm.

After earning his MBA, Brodsky worked for Touche Ross in Washington, D.C. He went on to become the chief financial officer of several construction companies and the director of long-range planning for ITT, before settling in Texas real estate. He is now a real estate broker and developer. He represents a number of corporations with surplus land, advising them on what to do with it. "If appropriate, I help them market it," he says. Brodsky handles principally properties in North Texas.

Now that the lions are safe, Brodsky and Darla are working on another project. Excessive fishing by Asian fleets along the western coast of Mexico has left little trade for local fisherman, who are now slaughtering manta rays...

We'll keep you posted.

Stephen Rosoff

Eric R. Fox, MBA '77, Finds Success Making Suds

Years of unemployment drove **Eric R. Fox, MBA '77**, to beer. Not Miller, Bud or Coors, but a brand of his own.

When the company he was working for was acquired by another, Fox began to worry about his future. His boss did, too. Together they explored a number of business ventures. The brewpub craze was sweeping the West Coast and making inroads in New York City, but the market in Chicago was untapped at the time. They decided they would brew beer.

However, Fox didn't lose his job. Today, he's a divisional vice president and regional manager of Jefferson Smurfit, one of the world's largest manufacturers of cardboard and corrugation. He runs a box-making factory and loves his work. He's also a principal and director of the Goose Island Brewery, makers of Honkers Ale. Fox's old boss and present-day partner did lose his job at American Container, so they decided to go forward with the fall-back plan anyway.

They opened the Goose Island brewpub, Chicago's first, at 1800 W. Fulton in early 1988. The pub, named after an island in the north branch of the Chicago River where Italian immigrants once raised geese, seats 260 people. Its menu features hearty sandwiches and the pub's signature dish of homemade potato chips. "7000 calories," says Fox, "but really good." They also sell a lot of beer—2500 barrels produced last year.

While the law allows brewpubs to sell from the tap, they can't bottle their own beer, so three years ago, Fox and his partner opened a micro-brewery at 1800 N. Clybourn. Even in its first year the brewery showed a profit.

The 60,000 square foot facility has a present-day capacity of 40,000 barrels but with the purchase of additional tanks, that figure could rise to 100,000. According to Fox, Honkers Ale is sold in 400 bars and restaurants around Chicago and readily available in area stores. The "goose" logo is rife with marketing possibilities—they already have a goose-handled tap and a toll-free 1-800 GOOSE ME line.

"Next to Sam Adams and Pete's Wicked Ale, we're number three," says Fox of Honkers' appeal in the Chicago market for hand-crafted ales. He describes Honkers as "a slightly heavier ale with a strong hop finish to it."

Fox says the industry is still growing at a rate of 70 percent, as microbrews are replacing foreign imports on the shelves. The plan for Honkers is to become a strong regional player. Currently Honkers is sold through cataloguers, Beer Across America, but Fox hopes to distribute his product in the rest of Illinois, Wisconsin, Indiana, Ohio and Michigan.

Fox, 45, is married to Charlotte Crane, J.D. '77. Although both have Michigan degrees, they met earlier on another campus, Harvard. They have two daughters, ages 14 and 9, not quite old enough for summer jobs at the brewpub. But someday.

Although a beer enthusiast, Fox hasn't lost his head. He leaves the day-to-day brewing operations to his partner and the brewmasters, and reserves his expertise for marketing and distribution decisions. But that doesn't mean he doesn't know his way around the brewery. Says Fox, "I give a hell of a plant tour."

Stephen Rosoff

77

Edmund J. Bednar MBA '77

is the newly-appointed president of C-CUBED Corp., a national, employee-owned engineering and technical professional services firm. After retiring from the U.S. Navy in August 1991 as a captain, Ed went to work for C-CUBED Corp. as a principal analyst. In five years, he has progressed from department manager to director of operations, vice president of operations and, now, president. C-CUBED specializes in communications systems integration, video conferencing, electronic publishing and multimedia development.

The company is headquartered in Springfield, Va., with nine offices and 200 employees nationwide.

Joan "Jody" Hauser Borer MBA '77

is a human resources strategist with IBM North America, where she serves as an internal consultant for the sales and services unit and is responsible for leadership skills development, employee relations and employee communications issues. Her work includes some global projects, she writes. In June 1995, Jody married Paul R. Borer, a graduate of the U.S. Naval Academy.

Gabriel L. Shaheen MAS'77

and his family are moving from Fort Wayne, Ind., to the United Kingdom. After serving as president and chief executive officer of Lincoln National Reinsurance Co. for two-and-a-half years, he has accepted an assignment as managing director of Lincoln National's insurance operations in the U.K. "My wife Jeanne, sons Jim and Jon, and I are all looking forward to this move as a great life adventure," he writes.

n

K. Mare Suri MBA '79

is managing director of Xuzhou Rockwell Axle Co., a joint venture that was three years in the making. "I am responsible for this joint venture," he writes. "We have three expatriates and 950 Chinese employees with many customers in China." Mare has been living in Xuzhou, an ancient city of about one million people, since June 1996.

QCj Arthur D. Sciarrotta MBA '80

had been named vice president for information technology for Florida Power Corp., a principal subsidiary of the St. Petersburg-based Florida Progress Corp. In his new position, Arthur is responsible for an information technology workforce of 250 employees. Florida Power serves 1.3 million customers in central and northern Florida. Before joining the power company, Arthur served as director of information services for Janssen Pharmaceutica, a subsidiary of Johnson & Johnson based in New Jersey.

81

Karen A. Vagts MBA '81

writes that her new book, *Managing AutoCAD in the Design Firm, A Manual for Architects and Interior Designers*, is now available in bookstores. The publisher is Addison-Wesley Developers Press.

Q0 John O. Young BBA '82

is the new corporate director for marketing for the Oakwood Healthcare System. As such, he oversees the marketing, public relations and external communications for seven hospitals and 30 outpatient centers located throughout Michigan's western Wayne and eastern Washtenaw Counties.

Glenn R. Doshay, MBA '82 Shares Secrets of Hedge Fund Management



Hedge fund managers are egomaniacs. All of them," says ta
Glenn R. Doshay, MBA '82. "I am one too."

Doshay should know. As founder and principal of Palantir Capital, Inc., he has successfully managed his own hedge fund for the past two years. He returned to campus last fall to give 30 business students an insider's view of his occupation during a Dean's Seminar. The seminars, which are hosted several times a year by Dean B. Joseph White, encourage intimate exchange between an invited business leader and a select group of students.

Egomania, according to Doshay, is the critical quality that makes a hedge fund manager successful. They have to be right," he says. "It's a passion for them. Some of die most successful ones are worth millions yet still work as hard as

diey ever did. Why? Because they have to keep proving that they are right."

Doshay graduated from UCLA with a B.A. in economics and immediately traveled cross country to begin an MBA at the Business School. In 1982, with diploma in hand, he went to work for Trust Company of die West in Los Angeles as an analyst, primarily in the areas of technology and energy, and as a portfolio manager.

In 1986, he joined Steinhardt Partners, a hedge fund located in New York, as a technology/energy specialist. The following year, he became co-founder and partner of Ardsley Partners. The New York and Greenwich, Conn.-based firm runs both ERISA and hedge fund assets. Doshay served as portfolio manager and analyst until 1995, taking die assets under management from \$350 million to more than \$4 billion.

In 1995, he returned to California and launched his own firm, Palandr Capital, Inc. It is based in San Diego. Doshay works diere; nine odier employees work in New York. Palandr manages approximately \$500 million.

Doshay describes his operation as a "true hedge fund," one that balances long and short positions so diat market risk is kept to a minimum. "That way, if the fund manager makes good calls, he should make money regardless of whether die market goes up or down," he explains. "I may make only 40 percent when die market goes up 80 percent, but I may make 40 percent when die market is down 20 percent as well."

What distinguishes him as a hedge fund manager, Doshay says, is his attention to die public perception of a prospective investment. While some managers only consider die bottom line and its potential for growth, he factors in reputation.

"A lot of die time I'm dealing with high multiple stocks," he says, "therefore sometimes a good company isn't enough because sometimes the expectations, as good as diey might be, may be too high, or diey might be too low."

His primary concern, he told students, is the current profusion of hedge funds. Too many, he cautions, create "die danger diat you get a lot of amateur shorts in stocks—making the short squeezes that much more vicious."

OA Tom Jacques

•' BBA '84

sends personal and professional news: "Appointed assistant secretary of Perini America, Inc., on Nov. 14, 1994. Our second son, Jared Francis, was born on May 5, 1995. On June 3, 1996, I received my MBA degree from the University of Wisconsin at Oshkosh. Received graduate honors, inducted into Beta Gamma Sigma National Honors Society and achieved a 4.0 grade point average. Looking forward to returning to Michigan, seeking a position in international sales and marketing."

Glenn Mazur

MBA '84

writes that since his graduation he has combined his MBA training with expertise in automotive engineering and Japanese to become a proponent of Japanese management and design process technologies such as Total Quality Management, Quality Function Development (QFD) and Hoshin Planning. He is executive director of the QFD Institute, a North American organization for advanced training and research in the subject. He teaches these principles to U-M engineering and manufacturing undergraduate and graduate students as well as at conferences and to companies through Japanese Business Consultants, Ltd., of which he is the president. Glenn is

also working toward certification in TRIZ, the Russian approach to inventive problem solving.

QZ Eric A. Calub

*J BBA '85

has been appointed vice president for acquisitions for Walden Residential Properties, Inc., a real estate investment trust with headquarters in Dallas. Walden owns and operates 63 garden apartment communities containing 19,369 units in five states. Prior to joining the trust, Eric was an assistant vice president at MIG Realty Advisors and at The Berkshire Group, Inc.

Elizabeth Levy-Navarro

BBA '85

has been made a partner of The Cambridge Group, a management consulting firm headquartered in Chicago. Elizabeth is one of nine partners. She specializes in market strategy development for the communications and financial services industries. Prior to joining the group, she was an account manager for Gemini Consulting, a manager at A.T. Kearney and an account executive at AT&T.

Don Mulligan

MBA '85

has recently been named vice president for finance and chief financial officer for the Latin America region of PepsiCo Restaurants International. Don will oversee the RFC, Pizza Hut and Taco Bell businesses in Mexico and the Caribbean as well as Central and South America. He, his wife, Diane, and their three children have returned from Hong Kong and are now living in Boca Raton, Florida.

O/T Michael Perullo

TM BBA '86

together with partner, Craig Dubitsky, have formed Peachtree Grand Prix, Inc., in order to bring European Formula One racing to the streets of Atlanta. Motivated by the success of the 1996 Olympic Games, which were hosted there, the twosome are now working to secure public and private support for this international event which they predict could infuse the city with \$200 million in revenues. Michael writes: "Imagine the spring of 1998... with two dozen multi-million dollar Formula One race cars blasting up Capitol Avenue and making a lap around Olympic Stadium at triple digit speeds... Get ready to wave the checkered flag in 1998 and beyond!"

Extra! Extra!
Terri Albert, BBA'84
 Launches New Magazine

Ood Morning America's Joan Lunden has talked about it. Comedian Jay Leno has included it in his monologue. News media from across the U.S., Japan, South America, England, France, Ireland and Australia are clamoring to learn more about *Divorce Magazine*, says **Terri Albert, BBA'84**.



Albert is the associate publisher of Chicago's quarterly *Divorce Magazine*, which premiered in August 1996. Working fast and furiously from her home-office in the Windy City, Albert sold all the advertisements in the premier 48-page issue, developed the controlled circulation and single-handedly orchestrated the launch of the publication.

"What has surprised me the most," she says, "has been the media response not only here in Chicago but all over the U.S. and internationally."

Divorce Magazine is an upscale, four-color publication with an automatic audience: Approximately 46,500 people in Chicago alone divorced in 1996. Nationwide, the count exceeds one million annually. To help people through this life change, the magazine offers informative articles on the personal, legal and financial aspects of divorce, including such nuts and bolts topics as: "Should You Rent or Buy that Roof Above Your Head?"

Albert, who went to work in the media department at Leo Burnett after graduating from the Business School, has lived in Chicago for 12 years. She has 10 years experience in national advertising sales, having worked for such publications as *Soap Opera Digest*, *The Cable Guide* and *Sassy* magazine.

Divorce Magazine's parent company, D+D Communications, and editorial offices are located in Toronto. Despite the recent addition of a part-time assistant, Albert clearly is a one-woman operation. "The work is both lonely and challenging," she says. "It is an ongoing challenge to stay in touch and develop and grow the present 200-plus distribution sites—places we've asked to distribute complimentary copies—and simultaneously be 100 percent in charge of selling all the ads."

The magazine is sold for \$2.95 a piece on newsstands and via subscriptions. The bulk of the circulation however, about 74 percent, is controlled. This means the magazine is distributed free to sites of particular interest to those involved in the divorce process—lawyer's and therapist's offices, courthouses, health clubs, social service agencies and support groups.

A national edition of the magazine is scheduled for release in mid-1997, she says. At present, *Divorce Magazine* has regional publications in Toronto, New York/New Jersey, and Chicago. A Southern California edition is slated for May 1997. For more information, Albert suggests visiting the magazine's web site: <http://www.divorcemag.com/~divorce>.

know this title sounds weird but, basically, the job is a product manager position in their product development department." CT Corp. is based in New York City and provides on-line research and support information.

Paul H. Taylor
BBA '87

has joined Deloitte & Touche L.L.P. as a litigation specialist for its litigation services and business insurance consulting group. He assists clients throughout the U.S. in commercial disputes, business valuations of closely held corporations, bankruptcy disputes and regulatory matters. Paul is a member of the Institute of Management Accountants, the Business Valuation Association and the National Association of Forensic Economics. A resident of Chicago, he was previously a principal at Peterson Consulting.

QQ Michael Allen Ladd
BBA '88

is pleased to report that he finished his MBA degree in December 1996 at the Joseph M. Bryan School of Business at the University of North Carolina at Greensboro. He has been pursuing this degree since the fall of 1993 on a part-time basis. Michael says his current GPA is 3.9 "so I guess I learned quite a bit at UM!" As part of his MBA program, he traveled to Berlin in November 1996 to study German industry.

QQ LaShelle Chambers
MBA '89

sends in a "News Flash": She was recently promoted to the position of director of real estate for the International Retail Division of Federal Mogul Corp. Her responsibilities include market analysis, site selection, lease negotiation, and design and construction of new stores worldwide. LaShelle lives in Detroit and is planning a spring 1997 wedding.

Laura Brackenridge Danahy
BBA '89

finished her master's degree in history in the summer of 1996. "I have taken a full-time, if temporary, job as a Mommy" she writes. Her son, Joey, was born Nov. 27, 1995.

Michael A. Siepierski
MBA '89

received a patent in 1994 for a design im

87 Howard I. Bleiwas
BBA '87

announces that his CPA firm, based in Northville, Mich., has changed its name to Howard I. Bleiwas & Associates. The five-year-old full-service firm continues to grow, he writes, and now has more clients, particularly small and medium-size companies, throughout the country than ever before. The firm specializes in tax and business planning. Howard has obtained his CVA—Certified Valuation Analyst—certification, which allows him to provide certified business valuations.

Michael J. Machell
MBA '87

recently passed the Georgia bar exam after graduating from Georgia State University College of Law in August, 1995. Michael plans to continue as human resources manager for the U.S. subsidiary of UCB, a Belgian chemicals and pharmaceuticals company. He lives in Cumming, Georgia, which is north of Atlanta, with his wife, Denise, and two-year-old daughter Emma.

Robert L. Tau
BBA '87

started working for CT Corp. in May, 1996, as a "knowledge engineer." He writes, "I

provement in an occupant restraint system that was then placed in production. Michael, who works for General Motors' Truck Group, was recently promoted to engineering group manager for Mid-Size Trucks. He is engaged to be married in May, 1997.

90 Ernesto Arteta BBA '90

completed his MBA at Carnegie-Mellon University in May 1995. He works for First Chicago NBD in the foreign exchange area and was recently transferred to its new Mexico City branch where he is trading Mexican pesos in the spot, forward, futures and options markets.

David J. Galbenski BBA '90

co-founder and president of AmeriClerk Temporary Legal Staffing, a Troy, Michigan-based company that provides temporary lawyers, law clerks and legal assistants to law firms and corporate legal departments, writes that the company has launched a web site to assist potential clients as well as those interested in temporary assignments. The World Wide Web address is: www.americlerk.com.

Tammy Spector Li BBA '90

writes that she is now working as a marketing manager for Pepsi in the Florida/South Georgia business unit. She made this move following six-and-a-half years at Kraft Foods in Chicago where she spent four years in marketing and research and two-and-a-half years in brand management. At the time of her departure, she was associate brand manager for Velveta. Tammy completed her master's of management degree at Kellogg Graduate School of Management at Northwestern University in 1995. Together with her husband, John, who is a corporate chef at Kraft, and their yellow Labrador dog, Wonton, she is in the process of relocating to Orlando. "Visitors welcome!" she says.

Fernando Mascarenhas MBA '90

took over as business director for Mercedes-Benz Leasing, a division of Mercedes-Benz Group, in March 1996. He previously served as superintendent of Itau, a Brazilian bank.

Allen Banez, MBA '90, Says: Honk If You Are a U-of-M MBA

Allen Banez, MBA '90, says it's a family thing. Everyone has personalized license plates: his mother's features her name, his brother's promotes golf... Allen proudly pays tribute to his business school alma mater.

"Originally I wanted to combine my two schools—Michigan and Berkeley," he says in a phone interview from Tracy, Calif. "*CalMich* and *MichCalwere* taken so I ordered *BerkAnn*. This was on a Friday afternoon. On Monday, I went back to cancel the order. I didn't like it anymore."

Banez was standing in line, waiting to process the cancellation, when inspiration struck: U OF M MBA.

This one's a keeper. Gwen Hill Chambers and Jon Wilson, two Class of 1990 friends living in the Bay Area, agree. "They got the biggest kick out of it," he says.

So did MBA '90 buddies Ted Wydeven in Philadelphia, Nicola Lumpkin in New Jersey and Ali Zamiri in Japan.

But it was former co-worker Simon Ho, MBA '83, who liked it best, Banez says. When both men were working at Axil Computer Inc., they would park side-by-side: Simon's car adorned with U of M Business School stickers right next to Banez's Maxima and its U OF M MBA plates.

Banez is the manager of budgeting and analysis at Scitex Digital Video in Redwood City, Calif. He has been there nearly seven months. Before that, he was senior financial analyst at Axil Computer, Inc., in Santa Clara, Calif.

As an MBA student, he received a Consortium Fellowship for Graduate Studies in Management. He also drove a vehicle bearing a personalized plate: MBA100G.

"Some people loved it," he recalls with a laugh. "And, some people hated it. This time, I wanted something more subtle."



91 Carolyn A. Kley BBA '86 MBA '91

has been included in the 20th Edition of Who's Who of American Women. Carolyn is a certified public accountant and the director of fundraising for the western regional office of Hillsdale College in Hillsdale, Michigan. That office is located in San Diego. Carolyn joined Hillsdale College in 1991 as an associate director of planned giving and was later named to her current position. Previously, she worked as a systems consultant for Golodetz Financial Co. in Fribourg, Switzerland; as a senior staff accountant for Ernst & Whinney in Chicago and Boston; and as a consultant for the Michigan Business Assistance Corps in Krakow, Poland. She is active in many professional organizations in California and enjoys such personal activities as the San Diego master chorale, competitive running and golf.

Michelle Eusebio Watterworth BBA '91

was promoted to manager at Plante & Moran, LLP, in July 1996. She specializes in the governmental and not-for-profit practice.

70 Luke J. Fleckenstein MBA '92

writes that he has been the manager of financial analysis and planning at Cephalon, Inc., a developer of pharmaceutical products for neurological disorders such as ALS (Lou Gehrig's disease) and narcolepsy. He writes that he looks forward to hearing from classmates in the Philadelphia area.

Juan Carlos Mayol MBA '92

has joined Barclays Bank PLC in the Syndications Group for Latin America. Before this move, he was a vice president at Hamilton Bank in charge of the Latin America capital markets activities. Juan lives and works in Miami.

02 Heather Fields BBA '93

is a new associate in the Chicago office of Vedder, Price, Kaufman & Kammholz, a full-sendee national law firm. Heather, who was a member of the DePaul Law Review, received her law degree with honors from DePaul University in June, 1996.

Christopher Krubert
MBA '93

faxed in the following update: "Chris has left his position as account executive at Leo Burnett, U.S.A., in order to pursue his lifelong dreams. This summer he opened the Chicago nightclub JOY-BLUE (all Michigan alumni welcome!). In October, he began his studies at the Pritzker School of Medicine at the University of Chicago."

Masashi Nakamura
MBA '93

moved from Japan back to the United States in November 1995 and is now living in Carlsbad, Calif. He is the planning manager at Hughes-JVC Technology Corp., a manufacturer and marketer of large-screen display systems. Masashi's primary responsibility is business planning and new products. After his graduation from the Business School, he went to work for Victor Co. in Japan.

Maryellen Torres
MBA '93

is a product manager for Disney Interactive where she markets CD-ROM entertainment titles.

Tushar Vashi
MBA '93

writes that he will be working near London, England, on Ford Motor Company's India Program as program engineering manager for the Fiesta automobile. Tushar worked for a year-and-a-half on Ford's debut of the European Escort in India in October 1996. In his new role with the Fiesta/India Program, he will be involved with local content and local market engineering issues and resolution actions.

Cheng-Chung "Dick" Yu
MBA '93

has recently been transferred from the Honeywell headquarters in Minneapolis, Minn., to Hong Kong to assume responsibility for the company's treasury operations in the Asian-Pacific region. Dick has worked for Honeywell since his graduation three years ago. During that time, he says he has been exposed to various corporate, financial and treasury functions as well as management experiences. He has also earned his CPA and CMA certifications. On a personal note, Dick adds that he has been married for almost two years and has a 10-month-old son named Jonathan.

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 Editor, *Dividend* Magazine, School of Business Administration, University of Michigan, Ann Arbor, Michigan 48109-1234, or e-mail: PFSmith@umich.edu, we would very much appreciate it. Your class note will also appear in the "on-line" edition of *Dividend*.

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.

Please tell us about Dividend.

We have provided this space for your comments about *Dividend*- what you like, what you dislike, and advice to the editor.

QA Paul Churchill
MBA '94

sends his greetings from Vienna, Austria: "It's been a pretty eventful couple of years. Shortly after finishing up at Michigan, I took a brand management position at Procter & Gamble Austria, where I've been fortunate enough to work on both Austrian and Euro-wide projects. Regular travel to London also means I get to keep in touch with **Lee Meddin '93**, who is working there for First Chicago as a derivatives structurer. More importantly, in June 1995, I married Elisabeth Rabanser, in her hometown just outside of Salzburg. We met my final year in Ann Arbor while she was an exchange student at the Business School. Lee Meddin and **Dan Schiffhauer '93** were among those in the crowd. As for life in Europe, no complaints. With five weeks of vacation a year, plus business trips, I've been to over a dozen countries within the last two years. The change of address comes because we just bought and renovated an old apartment in Vienna. So, if anyone is out this way, they should feel free to look us up."

Jim Hanley
MBA '94

and his wife Natalie recently completed a relocation to the Boston area. "Home again, at last!" he says. Jim transferred within Nexel Communications and is now the director of marketing for the New England region. Natalie also transferred with her company and is a vice president for Hoenig and Co.

Maurice A. Rose
MBA '94

is a founding partner of Abraham & Rose, P.L.C., a tax firm specializing in taxpayer representation before the collection division of the IRS. The firm has a full tax and bankruptcy practice but, Maurice writes, is one of the few, if not the only, firm aimed at collection division work.

OK J.D. Carlson
MBA '95

was promoted by his employer, Coopers and Lybrand L.L.P., to senior associate in its Chicago-based business assurance practice. J.D. works with consumer product companies, notably Keebler, Jim Beam and Master Brands. He writes: "Got the CPA exam behind me. Looking forward to visiting A2 with my wife, Paula, for football games and other fun this fall."

Elise Karchmer Goldstein
MBA '95

writes that she has married and moved to a new home in Coppell, Texas.

Melanie Mayo West
MBA,JD'95

recently joined the Bloomfield Hills, Mich., office of Howard & Howard Attorneys, P.C., where she concentrates her practice in business and securities law. She was formerly employed as a marketing analyst in the asset management group of C.S. First Boston.

Ph.D. Notes

Paul S. C. Hsu
MBA '64, Ph.D '74

sends his update from Kaohsiung, Taiwan: "After having a thirty year academic career in Taiwan and Singapore, I have now changed tracks to work as a CEO of a commercial bank with headquarters located in the second largest city of Taiwan. The bank has \$7 billion in assets."

A. Michael Hayes
Ph.D. '77

professor of marketing and strategic management at the University of Colorado at Denver retired on Dec. 31, 1996. Before his retirement he served for several months as the director of the master's program in International Business. In early 1996, his book, *Business Marketing, A Global Perspective* (co-authored with Per Jenster and Nils-Erik Aaby) was published.

John A. Cole
Ph.D. '80

a professor of finance at South Carolina State University and a member of the Financial Management Association and the National Economics Association, will participate in Leadership South Carolina as a member of the Class of 1997. The program, which was created by the state's Governor's Office and the South Carolina business community in 1979, works to develop outstanding leaders in the state. Participants are chosen based on their leadership skills and commitment to their communities and the state.

Deaths

Anita Goldstein Lewis, MBA '39, passed away July 16, 1996. Anita is survived by her husband, Alvin, who writes from Florida: "She loved Michigan very much."

William P. Wells, BBA '48, died in April 1996. William was a Detroit-area advertising executive prior to his retirement and subsequent move to Florida. He worked for Ross Roy Communications, Brooke Smith, and McManus, John and Adams. During World War II, he served as a fighter pilot for the U.S. Navy.

R. Paul Jasperse, BBA '50, died suddenly in his hometown of Grand Rapids, Mich., on Dec. 6, 1996. Paul retired as a partner from Arthur Andersen & Co. in Detroit after a 33-year career. His daughter, **Lori Jasperse Redmer, BBA '89**, says her father "just loved the school. He was a big football booster and a season ticket holder." Paul was a student of Bill Paton, UMBS's renowned professor of accounting. Their student-teacher relationship grew into a friendship that lasted until Paton's death, Lori says.

Gerald J. Beiser, MBA '56, died on September 26, 1996, following a long illness. For 20 years, Gerald served as chief financial officer of Champion International Corp. Recognized in financial circles as one of the architects of the company's turn-around in the mid-1980's, he oversaw the strategic sell-off of 18 unrelated subsidiaries, a major capital investment program that was completed in 1994. He retired from the Stamford, Conn.-based company in 1995.

Gerald earned an A.B. in economics from Earlham College before coming to the UMBS. He joined Champion as a management trainee in 1956 and held various positions before his election as treasurer in 1970, and senior vice president for finance and chief financial officer in 1975.

Throughout his career, he was active in a number of professional organizations, including member and chair of the financial management committee of the American Forest and Paper Association; member of the national advisory board of Chemical Bank; the Fairfield advisory board of Shawmut Bank; the Economic Club of New York; the Conference Board's Council of Financial Executives; and the FEI Committee on Corporate Finances. He was a member of the board of directors of Weldwood of Canada Ltd., Allendale Insurance, and Fairfield 2000 Homes Corp. and was listed in Who's Who in America.



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MARCH 14 Visiting Committee Meeting	MAY 16 Corporate Advisory Board Meeting in Indianapolis/ Business School Alumni Luncheon	<p>Regents of the University: Laurence B. Deitch, Bloomfield Hills; Daniel D. Horning, Grand Haven; Olivia P. Maynard, Goodrich; Shirley M. McFee, Battle Creek; Rebecca McGowan, Ann Arbor; Andrea Fischer Newman, Ann Arbor; Philip H. Power, Ann Arbor; S. Martin Taylor, Grosse Pointe Farms; Lee C Bollinger, <i>ex officio</i></p> <p>The University of Michigan, as an equal opportunity/affirmative action employer, complies with all applicable federal and state laws regarding nondiscrimination and affirmative action, including Title IX of the Education Amendments of 1972 and Section 504 of the Rehabilitation Act of 1973. The University of Michigan is committed to a policy of nondiscrimination and equal opportunity for all persons regardless of race, sex, color, religion, creed, national origin or ancestry, age, marital status, sexual orientation, disability, or Vietnam-era veteran status in employment, educational programs and activities, and admissions. Inquiries or complaints may be addressed to the University's Director of Affirmative Action and Title IX/Section 504 Coordinator, 4005 Wolverine Tower, Ann Arbor, Michigan 48109-1281, (313) 763-0235, TDD (313) 647-1388. For other University of Michigan information call (313) 764-1817.</p>
MARCH 20 Scholarship Recognition Dinner	JUNE 5-7 Emeritus Reunion	
MARCH 21 National Campaign Committee/Growth Fund Board Meeting	SEPTEMBER 26 End-of-Campaign Celebration President's Weekend	
APRIL 11 Alumni Society Board of Governors Meeting	OCTOBER 31 AND NOVEMBER 1 Reunion Weekend	
APRIL 21 The William Davidson Institute Board Meeting	Classes of '72, '87, '92 and '96	

*A sampling of insights from Business School people appearing in the media,
and quotes from speakers at the Business School*

Quote UnQuote

66 Entrepreneurs wrestling with the problems of growth would do well to embrace [Karl] Weick's insight that organizations are by their very nature messy and that all attempts to impose complete order and predictability will ultimately fail."

The December 1996 Inc. magazine cover story titled "The Classics" included a review of professor KARL E. WEICK'S 1969 work, The Social Psychology of Organizing, as one of the best management books ever written.

66 The failure of European VATs to achieve major simplification 'suggests one should not compare the messy real-world income tax with an ideal VAT that, at least so far, exists only in the imagination.' "

JOEL SLEMROD,
director of the Office of Tax Policy Research and professor of business economics and public policy, quoted in the Los Angeles Times, October 27, 1996.

66 Western media coverage of China 'is overwhelmingly negative and overwhelmingly conveys the wrong impression that China is a tightly run, brutal dictatorship. The reality is that Chinese society is extraordinarily dynamic and there's just a huge amount going on in terms of social change.' "

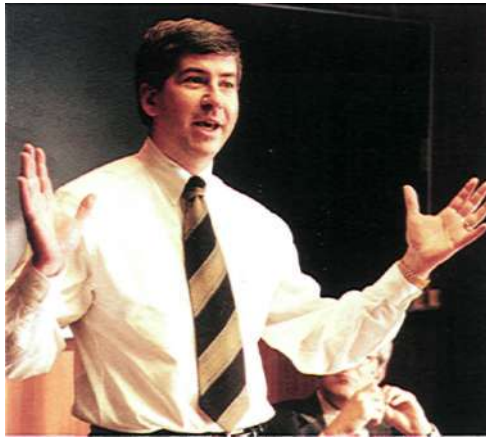
KENNETH LIEBERTHAL,
professor of business administration, quoted in the Wall Street Journal January 24, 1997.

66 Like it or not, the responsibility for ensuring a sustainable world falls largely on the shoulders of the world's enterprises, the economic engines of the future."

From an article by STUART HART, director of the Corporate Environmental Management Program, in the Harvard Business Review. The article appeared under the title "Greening: Strategies for a Sustainable World," in the issue of January-February, 1997.

66 A Grameen loan becomes a kind of ticket to self-exploration. With Grameen's two million borrowers, you get two million thrilling stories of self-discovery."

MUHAMMAD YUNUS, *Managing Director of the Grameen Bank in Bangladesh, discussing the microcredit work of the Grameen Bank. He was speaking to a heavily attended class on corporate governance sponsored by the Alfred P. Sloan Foundation, which has awarded the Business School a grant to examine the purposes and accountability of the firm for the 21st Century.*



66 The single greatest career challenge is not getting out of business school. It is not becoming president of a Fortune 500 company. It is becoming a supervisor. The biggest single challenge you will have is to get other people to do what you have been doing. Getting them excited about it, teaching them how to do it and having the discipline not to do it yourself."

RICK SNYDER, *President and COO of Gateway 2000 Inc., talking to a roomful of students at a Dean's Seminar February 10, 1997*

66 Consumers were cranky in 1996, and many were especially peeved at the service they received from restaurants, airlines, and the media. Overall, the corporations listed in this year's *American Customer Satisfaction Index*, a joint project of the University of Michigan Business School and the *American Society for Quality Control*, were judged by consumers to be 2% less friendly than they were last year. Of 206 companies on the list, only 71 improved — and only 15 improved more than 4%."

From an article in Fortune Magazine February 3, 1997

66 The study shows that conference calls provoke an increase in average trading levels, and that the trading actually appears to pick up while the call still is in progress."

From a Wall Street Journal article that appeared March 6, 1997, and described a study by RICHARD FRANKEL, MARILYN JOHNSON and DOUGLAS SKINNER, professors of accounting, that analyzed whether conference calls give the pros and big investors (but not small investors) a chance to trade first on the news.

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West Coast Forum Unites Students, Recruiters and Alumni

More than 50 students and 150 recruiters and alumni from the high technology, telecommunications and investment banking industries, including those pictured here, gathered in January in Menlo Park, Calif., for the first annual West Coast Forum—two days of networking, job interviewing and plant touring. See story on page 30.



Photos by Kathie O'Leary

• Renee Esquivel, MBA '96, a senior buyer/planner for Intel Corp. (left) talks with Andy Wong, a second-year MBA student and a coordinator of the forum, and his wife, Eileen Wong, MBA '96, a financial analyst at Hewlett Packard.



• Bonnie R. Proctor, MBA '74, senior vice president for Bank of America and a member of the UMBS Corporate Advisory Board (left), discusses career opportunities with Tracy Brown, a first-year MBA student.