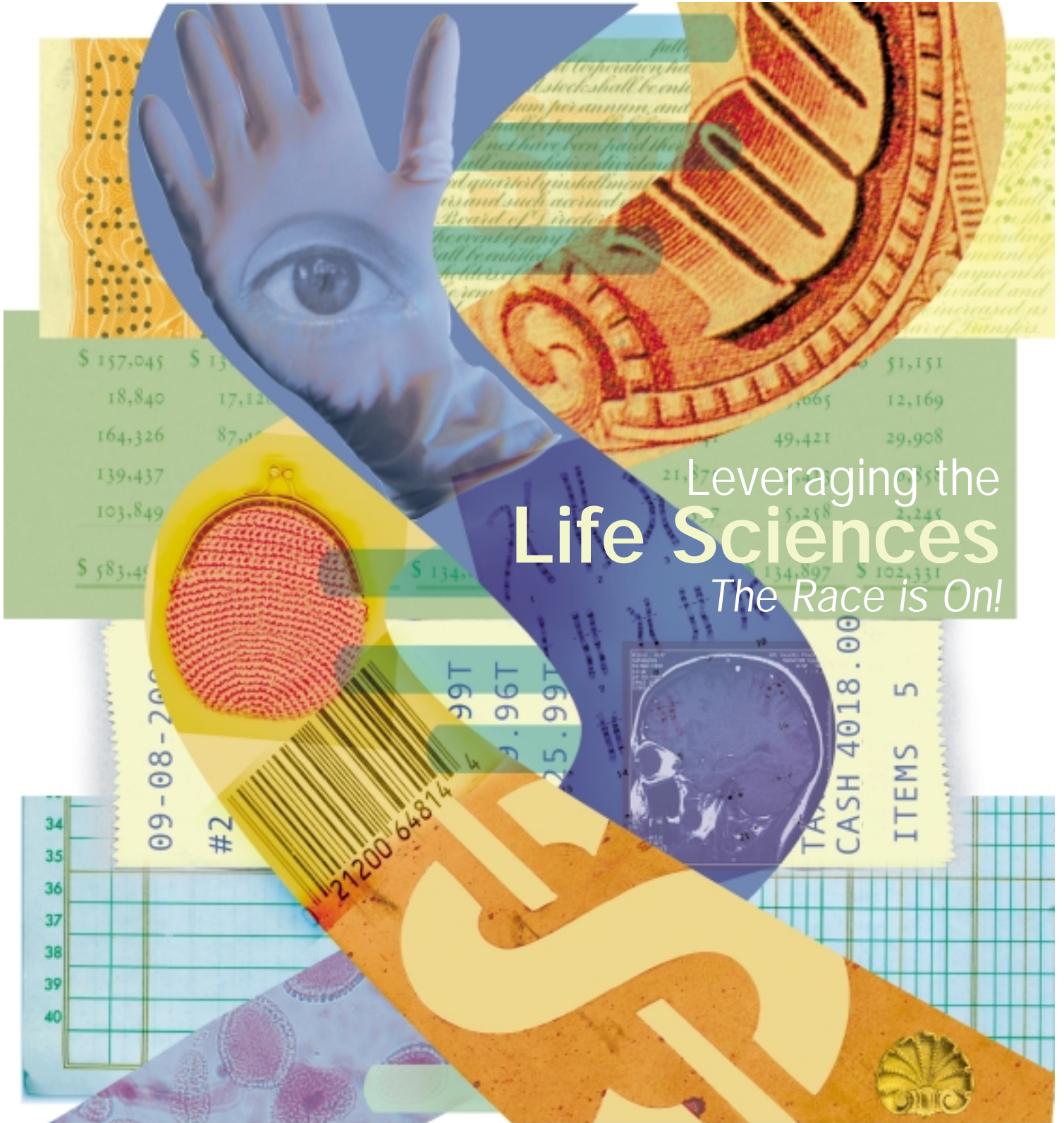


Dividendend



Leveraging the
Life Sciences
The Race is On!



September 2001

Dear Business School Community,

These pages of *Dividend* celebrate many of the exciting events happening in the University of Michigan Business School community. We were busily at work completing this chapter of life here on September 11, 2001. That day brought profound sadness to all of us at the Business School, to our fellow Americans across the country, and to citizens of the world. Even now, weeks after the deadly terrorist attacks on the World Trade Center and the Pentagon, it is still daunting to try to comprehend the magnitude of those events on that fateful Tuesday morning.

We all have been touched in some way by this tragedy, and have come to the slow, painful realization that our society has been changed forever. We have entered a new era from which there is no retreat.

I personally want to extend my sincere sympathy to the friends, family and colleagues of the victims, who include some of our own alumni and well-known visitors to our campus in the past. We wish you Godspeed as you begin to rebuild your lives, your companies, your hopes and your dreams.

In the ensuing weeks, I have been heartened by America's outpouring of compassion, its eagerness to help those who have lost so much, and its solidarity in confronting an elusive enemy. Members of the Business School community have contributed to this national effort in many ways. Like many, we assisted the Red Cross in their efforts. Also, we shared our special expertise, particularly in the area of compassionate leadership in trying times. Members of the faculty have created a new Web site to disseminate their collective thinking and expertise on crisis management, which can be accessed through the Business School's home page: www.bus.umich.edu.

As we move forward with our lives, it is crucial to reflect on what has happened and what we need to do next. Although we do enter a new era, some important things have not changed. Our essence, the set of things that define us at the Business School, has not and will not change. We are still a diverse community of people brought together by a common aspiration to teach, to learn and, ultimately, to serve society. We value different viewpoints. We are global in our outlook and reach. These events, terrible though they were, reaffirm the need to expand and deepen our global perspective, rather than retreat from it, if we are to deliver the societal benefit we aspire to and are capable of giving.

We have a vital mission to fulfill, and we have great potential for contributing to the world as it enters this new era. We must and will pursue our activities energetically, guided by the right values, strong principles and enduring spirit that historically have sustained our community and each of us individually over the years.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Robert J. Dolan'.

Robert J. Dolan
Dean, University of Michigan Business School
Gilbert and Ruth Whitaker Professor of Business Administration

Dividend

Fall 2001

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Dean: *Robert J. Dolan*; Interim Director of Communications: *Cynthia Shaw*
Guest Editor: *Claudia Capos*; Class Notes and Copy Editor: *Fred P. Wessells*
Editorial Assistants: *Michelle Molter, Ted Schaefer*
Designer: *Blue Pencil Creative Group, Ltd.*

Chief Photographer: *Michael J. Schimpf*; Photographers: *Martin Vloet, Bill Wood*

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Strengthen ties with the University of Michigan Business School: Complete and return your update form today!

Cover artwork by Margaret Riegel

Commencement

Make It Happen, Domino's CEO Tells 2001 Graduates

“You need to be a make-it-happen kind of person,” David A. Brandon, '74, told the University of Michigan Business School's 2001 graduating class, their family and friends during commencement ceremonies in Crisler Arena on April 27. The event marked the final time Dean B. Joseph White officially presided over graduation exercises. His successor, Robert Dolan, assumed his duties as the new dean on July 1.

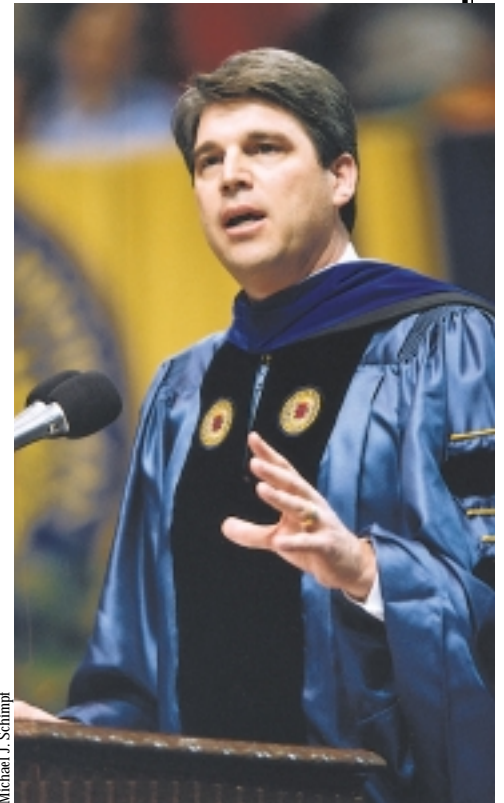
Brandon, who is currently chairman and CEO of Domino's Pizza LLC, a Regent of the University of Michigan and a member of the Business School Visiting Committee, played varsity football in the early 1970s under then-coach “Bo” Schembechler.

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Though still a consummate Wolverine, Brandon's focus since joining Domino's in 1999 has been on delivering pizzas in 59 countries worldwide rather than on moving footballs down the gridiron in Michigan Stadium. “I seriously considered having people come in and serve you hundreds of Domino's pizzas during my remarks,” quipped Brandon. He decided against it for fear of setting a precedent for a subsequent commencement speaker, who might be the CEO of a drug or beer company. Instead, Brandon shared six key thoughts with the 2001 graduating class.

“Being a CEO is a cool job,” he said, acknowledging that lifestyle issues are challenging but the rewards are worth the effort. “Leading an operating business is an incredible opportunity and a great learning experience. I hope that many of you will become the CEOs of tomorrow.”

Brandon urged graduates to consider career opportunities in Old Economy companies. “Companies with revenue, profits, cash flow and a track record are worth bil-



Michael J. Schimpf

David A. Brandon, '74



Bill Wood

Philanthropist, industrialist and entrepreneur William Davidson, BBA '47, was presented with an honorary doctor of laws degree by University of Michigan President Lee C. Bollinger at the University's spring commencement on April 28. Davidson, who is the founder of the William Davidson Institute at the Business School, was recognized for his leadership in promoting economic development and well being, at home and abroad, and for his cordial, long-standing relationship with the University. He is chairman, president and CEO of Guardian Industries Corp. and managing partner of the Detroit Pistons Basketball Club.

lions and suddenly have re-emerged as visible, important and exciting places to be.”

Building a great team, he said, is the secret behind his success at Domino's, the world's leading pizza-delivery company with \$3.6 billion in system-wide sales, 140,000 employees, 7,000 stores and the capacity to make and sell one million pizzas every night. “The mark of a great leader is to understand that you can never do it alone,” Brandon added.

He also advised new graduates to be patient, to persevere, to keep their heads and “to be smart enough to find out how people want to be treated, and to treat them that way.”

During commencement, three outstanding Business School faculty members, nominated by their students, received teaching excellence awards: Will Mitchell, Aneel Karnani and Peter Wysocki.

David Alger, MBA '68, president, CEO and chief investment officer of Fred Alger Management Inc., received the Alumni Achievement Award in recognition of his business success and service to the Business School. (Editor's note: As Dividend magazine goes to press, reports indicate that David Alger is missing, following the attack on and destruction of the World Trade Center in New York City.)

Wall Street Journal Survey

Michigan's MBA Program Ranked First

The University of Michigan Business School's MBA program was ranked first among the "Top 10 Large Schools" and the "Top 10 Public Schools" in a new *Wall Street Journal*/Harris Interactive Business School Survey of 1,600 MBA recruiters. The results were published in a Top Business Schools special report, which appeared in the *Journal* on April 30.



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Fifty business schools and their students were rated and ranked on the basis of 27 attributes in the survey, which resulted from consultation with business-school representatives, corporate recruiters, students, search firms, independent consultants and members of relevant associations.

The goal was to identify school and student characteristics that recruiters consider most important when they make hiring decisions.

In addition to its two first-place rankings, Michigan's Business School placed fourth in the listing of the "Top Ranked 50" U.S.-based and foreign schools offering graduate business programs. Michigan also was recognized for academic excellence in marketing (second place) and general management (fourth place).

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How Michigan Ranked

- No. 1 in listing of "Top 10 Large Schools" (full-time MBA enrollment of 500 or more)
- No. 1 in listing of "Top 10 Public Schools"
- No. 4 in listing of "Top Ranked 50"
- No. 2 in Marketing
- No. 4 in General Management

Recruiters in the survey rated Michigan's MBA graduates as "strong on analytical and problem-solving skills and leadership potential." Graduates were described as "smart but not smug," or, as one survey respondent put it, "Harvard-type students with Midwest egos."

When asked which business schools are good sources for hiring minorities, recruiters named Michigan more often than any other MBA program. Michigan's Business School also was cited in the "most often named" list of schools where recruiters "would choose to get an MBA degree."

According to the *Journal* report, Michigan's Business School is "noted for its manufacturing management program—the Tauber Manufacturing Institute—which draws on the strengths of the College of Engineering." The findings also cited other Michigan specialties, including corporate environmental management, e-business, entrepreneurship and nonprofit and public management.

Due in part to its Midwest location, Michigan naturally attracts recruiters from the Big Three and other automotive manufacturers. However, management consulting firms hire the largest share, nearly one-third, of Michigan MBA graduates, according to the *Journal's* report.

The survey interviews of the 1,600 recruiters, who recruit full-time business-school graduates, were conducted online and took place from Aug. 23 to Dec. 15, 2000. Each of the 50 schools selected had to have a minimum of 50 full-time graduates in the Class of 2000, and was rated by a minimum of 20 MBA recruiters. Each rating was based on perceptions of the school and the school's students (80 percent) and the school's "mass appeal" (20 percent), as defined by the total number of recruiters rating that school.

Reprints of the Top Business Schools special report are available from *The Wall Street Journal*. Call 1-800-JOURNAL for information or to place an order.

Broadcasting

New Partnership Extends Business School's Reach

The University of Michigan Business School's latest survey results, research findings and faculty commentary will be aired more often on *Marketplace*, a popular National Public Radio (NPR) business program, as a result of a new partnership between the Business School and Michigan Radio.

The joint venture is intended to increase visibility for the School and its faculty and to promote business-related stories originating at the University. Tapping this wealth of expertise will enable Michigan Radio to increase the amount and quality of its business reporting, according to news director William S. Poorman. "This partnership will benefit Michigan Radio listeners by giving them greater exposure to the latest ideas coming out of the Business School."

Funding from the School will help support a full-time reporter/producer recruited by Michigan Radio, who will be responsible for covering breaking news and special features, using faculty to provide expert commentary and analysis based on their current research.

Stories will be broadcast statewide over Michigan Radio's three transmitters, located in Grand Rapids, Flint and Ann Arbor, and will be made available to *Marketplace* for airing nationwide by public radio stations. The *Marketplace Morning Report* and the evening *Marketplace* half-hour business program have more than four million listeners around the country. News items also will be featured from time to time on other NPR programs, including *All Things Considered* and the *Todd Mundt Show*.

Check your local listings or the marketplace.org Web site for broadcast times and stations.



Growth Capital

Tough Sledding Ahead for Start-ups

In the wake of the dot-com-investment bubble and the equity-market “mudslide,” entrepreneurs and start-up companies seeking equity capital will find “very tough sledding” for the next couple of years. Institutional investors are paring back their target allocations for alternative investments, and venture capitalists are demanding a bigger piece of the equity pie along with higher-quality management.

Finding new sources of capital will be a major challenge in coming months, according to institutional investors and venture capitalists who spoke at the University of Michigan Business School’s 20th annual Growth Capital Symposium this summer. Approximately 170 high-tech entrepreneurs, venture capitalists, start-up company owners, faculty and students attended the two-day event on June 19-20. Keynote speakers John Denniston, CEO of Kleiner Perkins Caufield & Byers, and Warren Packard, managing director of Draper Fisher Jurvetson, offered their insights on the venture-capital market.



The symposium is presented annually by the Center for Venture Capital and Private Equity Finance (CVP), which partners with the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies. Daily panel discussions and presentations by emerging growth companies are intended to foster collaboration among the entrepreneurial, financial, industrial and University communities for the purpose of building and financing firms based upon technological innovation. Over the past decade, nearly 500 companies have been assisted in raising growth capital needed for start-up and expansion, according to CVP director David Brophy, associate professor of finance.

The impact of the widespread economic downturn was a major topic for concern among symposium participants. David C. Turner, administrator for the Michigan Alternative Investments Program, estimated it

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could take three to five years for businesses to regain their footing. “We can back the greatest ideas and very best companies,” he said, “but until products, services and technology start moving into the pipeline at good sustainable levels—which means companies have revenues and earnings that public markets find rewarding—you are not going to have a very quick recovery.”

The prolonged economic slump will negatively impact the state’s allocation of funds for venture capital, making it tougher for early-stage start-ups to attract seed money. “The tourists have gone home, so it’s back to basics,” said Turner. “Capital will go after the best talent and the most experienced management.”

Erik Lundberg, the University’s chief investment officer, concurred. “Our mandate is to maximize total return with minimum risk. We look for general partners who have put meaningful money to work and for historical successes.”

Ford Motor Company, through its Value Participation Program, is exploring alternative ways of identifying new products and engineering technology, and financing the growth of fledgling companies, reported Earl Lyle, manager of business development for global purchasing. “We leverage the buying power of Ford and work with promising new companies to help them get a quick ramp-up, find the path to profitability and create strategic alliances,” he explained.

In the past, the automotive industry dominated Michigan’s manufacturing sector, instilling traditional corporate thinking. Now, some see a new shift toward more innovation and entrepreneurial thinking, which is creating exciting new investment opportunities.

“There is a tremendous amount of great technology being developed in Michigan in the university environment as well as in the entrepreneurial community and the corporate business environment,” said Jeff Sloan, CEO and managing director of Sloan Ventures LLC. “There is a new culture here.” To capitalize on this trend, however, the state must change its “smokestack” image and do a better job of promoting its assets.

Symposium panel discussions focused on three of the “new wave” hot spaces for technology investment in Michigan: life sciences, microsystems/nanotechnology and telematics/intelligent transportation systems.

“It is a very exciting time for the state of Michigan with more opportunity for visibility,” said Mary Lincoln Campbell, a general partner at EDF Ventures, an Ann Arbor-based venture-capital firm. She cited the state’s development of a viable Life Sciences Corridor, and the University’s commitment to a new Life Sciences Institute and technology transfer.

Representatives of 20 high-tech start-up companies, many of them University spin-offs or recipients of Wolverine Venture Fund monies, made presentations. Their diverse business activities include the development and commercialization of new medical treatments, software, data-delivery systems and fuel cells.

The CVP “Leaders and Best” award was presented to Mary Lincoln Campbell, Hayden Harris and Tom Porter, the founding partners of EDF Ventures.

Student Internships

Endowment Connects Students and Start-ups

A \$1.47 million gift to the University of Michigan Business School from **Marcel Gani, MBA '78**, is helping to connect talented business students who want to gain real-time experience in the fast-paced entrepreneurial world with local high-tech start-up companies and venture capitalists.

Over the summer, 22 students participated in the Marcel Gani Entrepreneurial Internship Program, which is funded in part by Gani’s endowment and operated through the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies. The Institute, located at the Business School, is dedicated to providing students with an excellent entrepreneurial education and professional development experience, which includes opportunities to work side-by-side with successful entrepreneurs, angel investors and venture capitalists who fund start-up ventures.

“The Marcel Gani Entrepreneurial Internship Fund greatly increases the opportunities for Michigan business students by allowing us to invite more start-up firms to hire interns,” says Paul Kirsch, Zell-Lurie

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Marcel Gani, MBA '78

Book Series

Pressing Problems Head for China

Soon business executives, students and scholars throughout China will be reading new books written by University of Michigan Business School faculty on how to create value, improve customer satisfaction, hire good people and address other challenges facing businesses today.

In June, John Wiley & Sons, the parent company of Jossey-Bass, concluded a deal for the simplified Chinese rights with China Europe International Business School (CEIBS) in Shanghai, one of China's leading business schools. CEIBS has entered into a co-publishing model to translate all nine titles released to date in the *University of Michigan Business School Management Series: Innovative Solutions to the Pressing Problems of Business*. The collaboration will promote co-branding of the two universities and increase the global circulation of the books, which provide the best-available thinking and practical solutions to universal problems of doing business in a world economy.

Currently, the Pressing Problems series is being translated into Japanese, and negotiations are under way for the sale of the Dutch and Portuguese rights, which would lead to translations in those languages.

On the domestic front, the series has been gaining momentum and visibility. Two nationally syndicated radio programs, *The Todd Mundt Show* and *Marketplace*, have expressed interest in featuring the authors and their books. In August, the *Mundt* show aired a segment on Wayne Baker, a professor of organizational behavior and human resource management and the author of *Achieving Success Through Social Capital*. Baker's book also made the CEO Read top 25 best-seller list.

In mid-September, Borders Books in Ann Arbor hosted a book signing to kick off sales of the two newest releases, *A Company of Leaders* by Gretchen M. Spreitzer and Robert E. Quinn and *Managing the Unexpected* by Karl E. Weick and Kathleen M. Sutcliffe. Spreitzer is a clinical professor

of organizational behavior and human resource management. Quinn is the Margaret Elliot Tracey Collegiate Professor of Business Administration and professor of organizational behavior and human resource management. Weick is the Rensis Likert Collegiate Professor of Organizational Behavior and Psychology and professor of psychology and Sutcliffe is associate professor of organizational behavior and human resource management.

Last year Soundview Executive Book Summaries named *Improving Customer Satisfaction, Loyalty and Profit* by Michael D. Johnson and Anders Gustafsson as one of the top 30 best new business books of 2000. Johnson is the D. Maynard Phelps Collegiate Professor of Business Administration and professor of marketing. Gustafsson is associate professor of business economics in the Service Research Center at Karlstad University, Sweden.

Every book published to date, in partnership with Jossey-Bass Publishers, has outsold projections, and additional titles in the 46-book series are already in the pipeline, according to Quinn. He has led the Business School-wide initiative for the past two years, after culling through responses from company executives and compiling a list of the 45 most critical business issues they reported. A faculty expert has been invited to write a practical, solutions-oriented book on each topic. The Pressing Problems Project was one of the 75th Anniversary gifts to the School from faculty and staff.

The following titles in the Pressing Problems book series are now available at local bookstores, or may be purchased online at www.umbsbooks.com.

Achieving Success Through Social Capital by Wayne Baker

Becoming a Better Value Creator by Anjan V. Thakor

A Company of Leaders by Gretchen M. Spreitzer and Robert E. Quinn

The Compensation Solution by John E. Tropman

Creating the Multicultural Organization by Taylor Cox Jr.

Getting Results by Clinton O. Longenecker and Jack L. Simonetti

Improving Customer Satisfaction, Loyalty and Profit by Michael D. Johnson and Anders Gustafsson

Managing the Unexpected by Karl E. Weick and Kathleen M. Sutcliffe

Strategic Interviewing by Richard Camp, Mary E. Vielhaber and Jack L. Simonetti

program manager. The fund supplements support provided by the host company. Participating students get valuable entrepreneurial experience that helps them evaluate their future goals, and their business-focused skills assist the fledgling companies where they are assigned.

Summer 2001 interns worked at 17 private companies and the University of Michigan's Technology Management Office TechStart program, where they provided business development resources and consulting services. As part of their experiential learning during the 12-week internships, they conducted marketing studies, performed competitive and technological evaluations, assisted in securing financing and addressed product-development and operational issues. Among the participating companies were venture capitalists Arbor Partners and EDF Ventures, bio-tech firm HandyLab and several high-tech companies, including Interlink Networks, NextHop Technologies and Eberwhite Data Technologies.

Gani's own decision to pursue a career in the high-tech industry was influential in his decision to endow entrepreneurial internships for Michigan business students. Currently, he is the CFO of Juniper Networks Inc., a California-based firm that builds high-end routing equipment for major telephone companies and Internet service providers. Prior to joining Juniper in 1997, he worked for a number of high-profile technology companies, among them Intel, Cypress Semiconductor and NeXT Computer Inc. He and his wife, Francine, are originally from Switzerland and now live in Palo Alto, California.

ACSI

Customer Satisfaction Holds Steady for Automobile Industry, Dips for PC Makers

Despite recalls and quality issues, the level of consumer satisfaction with the automobile industry remained unchanged during the second quarter of 2001. However, the PC industry, household appliances and consumer electronics all received lower customer-satisfaction scores, according to the American Customer Satisfaction Index (ACSI), a national economic indicator of customer evaluations of the quality of goods and services available to household consumers in the United States.

The ACSI, which dropped by 0.1 percent to 72.1 in the second quarter from 72.2 the previous quarter (out of a possible 100), measured customer satisfaction levels in the manufacturing durable goods and the cable and satellite television industries. The index focuses on different sectors of the economy each quarter.

The key is the fit between what the product offers and what the customer desires. Companies with tight homogeneous markets usually do better than companies with more diverse markets.

Once again, the automobile industry matched its record-high ACSI score of 80, set in 1995 and 2000. European automakers, whose score slipped to 83 from 84, maintained their lead in customer satisfaction over the Japanese (82) and domestic auto companies (79). Cadillac, with a score of 88, jumped ahead of Mercedes Benz, which scored 86. BMW and Buick also received scores of 86.

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BOARD



American Customer Satisfaction Index™

"The high scores for Cadillac and Buick are surprising to some people, but customer satisfaction is as much about good customer selection and segmentation as it is about quality," says Claes Fornell, the director of the University of Michigan Business School's National Quality Research Center, which compiles and analyzes the ACSI data. "The key is the fit between what the product offers and what the customer desires. Companies with tight homogeneous markets usually do better than companies with more diverse markets." Fornell is the Donald C. Cook Professor of Business Administration and a professor of marketing at the Business School.

The much-publicized Ford Motor Co. recall of Firestone tires had little impact on Ford's customer-satisfaction level, although its Lincoln Mercury division registered the second-largest drop (3.5 percent, from a score of 85 to 82) within the auto sector. The largest improvement, once again, was made by Korean automaker Hyundai Motor Co., which received a score of 81 this year, up 19 percent since 1999. On the other end of the ACSI scale, Dodge experienced the biggest drop from last year (about 5 percent), and its score of 77 was ahead of only Jeep Eagle's mark of 76.

The overall industry score for personal computers fell 4 percent to 71, and every PC maker surveyed came in with lower scores, from Dell's high of 78 to Compaq's low of 69. Gateway registered the largest drop (6 percent, from 78 to 73), followed by the 5 percent decline of IBM (from 75 to 71).

"In view of the fact that prices for PCs have dropped recently by almost 50 percent without much response in demand, it is uncertain just how price-elastic the PC

market is," Fornell says. "There is little doubt, however, that demand is highly elastic with respect to customer satisfaction, which, of course, includes price as well." Despite improvements in product power, speed and range of application over the years, there is no evidence that customer service has improved.

Like personal computers, household appliances (down 3.5 percent, from 85 to 82) and consumer electronics (down 2 percent, from 83 to 81) have declined in the ACSI since last year.

This quarter, the ACSI looked for the first time at the cable and satellite television industry, which has nearly 100 million subscribers. With a sector-wide score of 64, it came in lower than many industries that have had problems with customer satisfaction, including banks, phone companies, utilities and the postal service.

Despite improvements in PC product power, speed and range of application over the years, there is no evidence that customer service has improved.

"As companies scramble for market share and continue to stretch their resources by large investments in technology, there seems to be a corresponding lack of attention paid to customers," Fornell says. "Price is perceived as high and quality as poor."

All in all, the relatively small overall decline in the ACSI this quarter could be an indicator that consumers will continue spending, although at a slower pace, according to Fornell. This trend could bode well for the nation's economic recovery.

"Despite no second-quarter improvement in customer satisfaction among the manufacturing durables sector, if the ACSI-consumer spending relationship holds, then there should be only a slight negative impact on spending for the next quarter," he says. "Once the tax rebate is factored in, it may well be that growth in spending remains steady for the third quarter."

The ACSI is produced by a partnership of the University of Michigan Business School, American Society for Quality and CFI Group, and supported in part by Market Strategies Inc. For more information, log on to: www.bus.umich.edu/acsi or www.asq.org.

Global MBA

Michigan Partners with Japanese and Korean Corporations

Prominent Japanese and Korean corporations are partnering with the University of Michigan Business School on a recently launched Asia Global MBA program. The program, an accelerated 16½-month course, is a cooperative venture with Maekyung, the publisher of the leading economic newspaper and business cable TV network in Korea.

The first class of 41 Korean and Japanese students was welcomed last March during a formal ceremony held at the Maekyung Media Center in Seoul. The students are employees from 27 Asian corporations, including Samsung and Hyundai of Korea and Nomura Securities and Sumitomo Bank of Japan.

E. Han Kim, the Fred M. Taylor Professor of Business Administration, developed the Asia GMBA program with Maekyung in an effort to jointly involve all three nations in closely related economic and business enterprises and to improve global business relations and practices. According to Kim, the intensive educational experience also provides high-potential participants with an excellent opportunity for developing life-long international networks among Japanese, Korean and American MBA students and Michigan faculty.

"The Asian economy is undergoing a fundamental transformation, calling for innovative managers who can raise the level of business practices to global standards," says Kim. "Without deep change, slow death will follow. Asian corporations and governmental agencies will not, and cannot, change without changing the mindset of their human component."

The Asia GMBA is based on face-to-face interaction with Michigan faculty, supplemented with professional-development programs and supported by advanced communications technology. To be accepted, participants must be nominated by their sponsoring companies after an inter-

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nal screening and then must successfully pass the Business School's rigorous admissions standards. Individual applications are not allowed. The majority of the companies nominate multiple applicants, who are viewed as the most promising and capable employees within their firms. The admit-

ted students have an average of 10 years of job experience.

Students begin their studies in Japan and Korea, finish their coursework at the Business School on the Ann Arbor campus and do their Multidisciplinary Action Projects (MAP) in Korea and Japan. The program, which is designed to meet the special needs of the consortium companies and their employees from Japan and Korea, is offered each year beginning in March.

Bullet Points



Artist's rendering of State Street's "new urbanism."

■ **A \$5 million facelift is planned for the State Street area** adjacent to campus, thanks in part to a two-year redevelopment study conducted by 80 University of Michigan students and faculty at the request of city officials and local merchants. The Business School's Business and Industrial Assistance Division (BIAD) provided leadership for the project, which also engaged the Taubman College of Architecture and Urban Planning, the Ford School of Public Policy and the Undergraduate Research Opportunities Program. The revitalization effort promises to bring "new urbanism" to the 10-block State Street district by creating residential neighborhoods, encouraging pedestrian traffic and reducing congestion and litter. This fall another redevelopment study will begin, focusing on the South University business area.

■ **The Center for Business Innovation (CBI)**, a new Business School initiative, will create a community of people from academia and business who are interested in co-creating knowledge about business innovation in the new competitive landscape. CBI Director Venkatram Ramaswamy, professor of marketing and a Hallman Fellow of Electronic Business, is collaborating with C. K. Prahalad, currently on sabbatical, to set up an innovative community platform on the World Wide Web, using Praja ExperienceWare and other resources. This platform, called the Experience Revolution Community, enables the co-creation of new knowledge. It is scheduled for a limited launch this fall, and will be open to the University community and to non-University participants in January 2002. Innovative theories and ideas generated by this community will be discussed with alumni, scholars, business leaders and students.

Degree Program

New Executive MBA Launched

This fall the University of Michigan Business School launched its new Executive MBA program, which offers a unique emphasis on leadership development, a results-oriented curriculum created specifically for high-potential executives and a flexible combination of on-campus and online learning.

"The response has been overwhelming," reports David M. Ardis, managing director of the Executive MBA program. "From our initial public announcement in October 2000, 20 percent of our inquiries have been from international candidates. Over one-quarter of the enrolled class is at the level of vice president and above."

To meet the needs of these working professionals, the program employs a results-oriented structure that addresses issues and solutions rather than simply functional areas.

The new 20-month program is the latest addition to the School's portfolio of graduate business degree offerings, which also include full-time, evening part-time and global MBA programs.

The Executive MBA program is distinctive because it targets established managers and executives with a minimum of 10 years of progressive managerial responsibility and strong potential for senior-level leadership positions in their current organizations. To meet the needs of these working professionals, the program employs a results-oriented structure that addresses issues and solutions rather than simply functional areas. Key program topics include analytical tools of business leadership, organizational effectiveness, the strategist's perspective, leadership development and an action learning project. Leading Business School faculty bring an innovative focus to the curriculum.

The format of the Executive MBA program is designed to accommodate busy schedules and geographical separation. Each class has two extended 10-day residencies on the Ann Arbor campus, the first in August to kick off the program and the second the following August at the midway point. Subsequent classes meet once a

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month for two days, Friday and Saturday. Distance learning, including video streaming, online chats and interactive cases, augments the on-campus sessions.

Approximately 60 percent of the 65 participants in the inaugural class, which grad-

uates in April 2003, are from Fortune 500 companies; 31 percent are out of state; and 15 percent are international. Their average age is 38, and their average length of work experience is 14 years, with 10 years in management or a supervisory capacity. The participants come from wide-ranging functional areas in a variety of industries.

For more information, visit www.emba.bus.umich.edu.

Community Service

Revitalized Domestic Corps Assists Needy Communities

The University of Michigan Business School's Domestic Corps has been revitalized by new initiatives designed to rebuild the 14-week student summer internship program, which is dedicated to helping nonprofit organizations in economically distressed, culturally diverse communities. Since its launch in 1992, the Domestic Corps has been part of the Business and Industrial Assistance Division (BIAD) and is funded by contributions from corporate partners and individual donors. It exemplifies the School's ongoing effort to promote global citizenship and community service among students, according to managing director Jenifer Beaudean.

Over the summer, 17 BBAs, MBAs and 2001 graduates from both programs participated in 14 Domestic Corps projects. The projects focused on diverse communities, ranging from Detroit's inner city to a remote Alaskan settlement and the Navajo Nation.

In Detroit's Latin American neighborhood, an MBA working with the Mexicantown Community Development Corp. completed a financial analysis for a new \$15 million *mercado* (marketplace), now under construction. Two interns, an MBA1 and a geology graduate student, were assigned to the native Alaskan village of Elim where they conducted a new-business feasibility study for a proposed rock-quarry operation. In Tsaile, Arizona, a BBA and MBA evaluated the tribal college's accounting and finance practices.

This summer also marked the successful completion of a pilot project of for-credit independent studies. Current plans for program expansion, according to Beaudean, include increased marketing efforts, the addition of new sites and projects, and a search for permanent program funding through an endowment. In addition, efforts are under way to partner with the University of Hawaii on a project in Samoa.



Summer interns at Monument Valley (left to right) Marian Krzyzowski, director, BIAD; Eleanora Kee, Dine College intern; Ned Sheeran, MBA graduate; Brodie Allyn, Dine College program manager; Jenifer Beaudean, managing director; and Justin Sadowsky, BBA1.

Technology

School's IT Reorganization Increases Efficiency, Encourages Innovation

For the first time, Business School alumni can tap into several major databases electronically from their home computers and "chat" online with a librarian from the Kresge e-Library to ask questions or to request information. These and other new services are the result of a major information technology reorganization, now being completed at the School.

All the resource units within the Business School have been consolidated under the associate dean of information technology, Gautam Kaul. The reorganization is designed to make more efficient use of limited resource dollars and staffing, and to encourage innovation, according to Ed Adams, director of computing services. Among the highlights:

Creation of a truly electronic library: The Kresge Library has moved out 101,000 volumes of books and brought in electronic resources, including online journals, books and databases. The physical layout of the library is being redesigned to make it more convenient and easier to use. Special online services have been created for alumni. These include access to three databases, CareerSearch, InfoTech Trends and Jupiter, and a "chat with a librarian" feature. A link for new alumni services on the library's Web site will connect users with the alumni page, which provides instructions on how to access the databases. Users must have an M-Track username and password. The library's URL is: www.eres.bus.umich.edu.

Consolidation of the Business School's Web sites: The School's public and intranet (M-Track) Web sites are being consolidated into a single Web site, which is scheduled to go live in early 2002. A special page for alumni will carry reunion news, alumni listings and other specialized information. In addition to reducing Web

ACROSS BOARD

sprawl, the integration of the two sites will improve the branding of the Business School and send a more focused message, according to Adams.

Creation of relationship managers: A new group of relationship managers has been created to provide better systems and data to each constituency of users. The managers will contact faculty, students, alumni and staff, analyze their needs and then convey this information to the resource units, which will then make the improvements.

Online Education

Fathom.com Connection Provides Virtual-Learning Opportunities

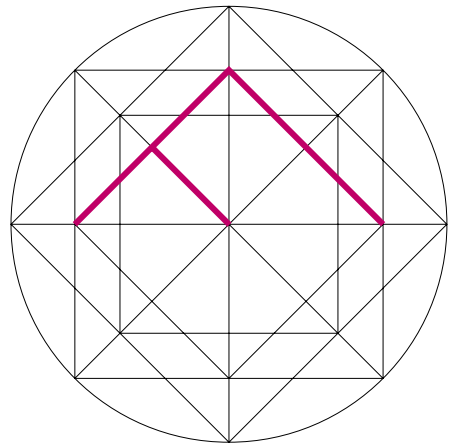
In August, the University of Michigan made its official debut on fathom.com, an online learning and knowledge venture created by a consortium of leading universities and cultural institutions. Initially, Michigan is providing two e-courses and 18 free multimedia features, including two presentations by Business School faculty members. Future content will draw material from different disciplines throughout the University, including medical, engineering, liberal arts and business.

Originally launched at Columbia University, Fathom enlisted the London School of Economics, Cambridge University Press, the University of Chicago, the British Library and the New York Public Library as partners in 1999. Other institutions have become affiliated with the consortium, including Michigan, which joined in November 2000. Tapping these vast resources, Fathom has developed a first-of-its-kind branded Web site, now offering more than 60,000 authenticated references, online courses and lectures from some of the world's leading educators, scientists, historians and researchers. The content is organ-

ized in a unique thematic structure. Internet users can access many of the features at no charge or pay a minimal fee to take an online course.

In announcing Michigan's affiliation with Fathom, President Lee C. Bollinger said, "Increasingly, institutions around the country and, indeed, the globe are forming partnerships in the e-education arena. My sense has been that we would benefit by joining with those institutions we admire and respect."

James L. Hilton, professor of psychology and special assistant to the provost for media rights, described Michigan's affiliation as "a terrific opportunity for faculty and the campus. The medium will allow us to reach people beyond our campus community with the University's wonderful resources—digital library collections, scholarly work and holdings in our museums and galleries."



FATHOM

Content from the Business School includes an excerpt from a *Financial Times* article by Tom Gladwin examining the challenges facing business leaders who seek to develop sustainable business models that will stem environmental damage and the depletion of natural resources. Gladwin is the Max McGraw Professor of Sustainable Enterprise, director of the Erb Institute and faculty director of the Corporate Environmental Management Program.

In a second feature based on Michael D. Gordon's Web-based business simulation, Internet learners have an opportunity to act as consultants in attempting to solve realistic business management problems using interactive technology. Gordon is a professor of computer and information systems.



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“In the end, the tax bill won’t live up to its hype. I expect the effect to be small enough so that 20 years from now, we won’t be able to tell the difference.”

Joel Slemrod, director of the Office of Tax Policy Research, commenting on President Bush’s tax cut.
The Philadelphia Inquirer, May 23, 2001

“I think we are attaching too much significance to what a little nudge of interest rates will do to guide the economy along the right path. It takes a lot more than good monetary policy.”

Paul McCracken, professor emeritus, examining the impact of the Federal Reserve’s interest-rate changes on the economy.
The Ann Arbor News, June 22, 2001

“It’s insane. No businessman in his right mind would suicidally go after a big supplier in the knowledge that this would damage one of his top profit earners.”

Gerald Meyers, visiting professor of organizational behavior and human resource management, commenting on the Ford-Firestone battle over the massive recall of tires.
The Ann Arbor News, May 29, 2001

“The bond between Henry Ford and Harvey Firestone was based on a common dislike of larger companies, which held patents for production of both tires and cars and demanded royalties from the budding businessmen.”

David L. Lewis, professor of business history, discussing the relationship between the two automotive entrepreneurs and their companies.
The New York Times, May 21, 2001

“It is not a good sign that the two felt they had to formalize this relationship...It makes for a fragile and perishable situation...and shows weakness to the markets.”

Gerald Meyers, visiting professor of organizational behavior, discussing the news that Ford Motor Chairman William Clay Ford Jr. and Chief Executive Jacques Nasser will work together in a newly formed office.
USA Today, July 27, 2001

“It’s time to destroy the stereotype and unleash HR’s full potential.”

David Ulrich, professor of business administration, commenting on the increasing involvement of human resources in the decision-making process.
Financial News, May 21, 2001

“(Change) is going to take a long-term commitment from business schools and companies” and a gradual uprooting of the “impressions and perceptions that women have about business and the business school environment.”

Jeanne Wilt, assistant dean for admissions and career development, commenting on efforts by business schools to attract more female students.
The Chicago Sun-Times, August 1, 2001

“It’s a quick and easy way to cut some costs. It’s not like a defined pension plan at GM or Delphi, which is hard to modify. As the job market turns in the employer’s favor, and you see car sales head down, you expect auto companies to do these things.”

Dana Muir, associate professor of business law, talking about cost-cutting in the auto industry where companies are reducing or eliminating 401(k) programs.
The Detroit Free Press, September 8, 2001

“Increasingly, men are defining success not only in terms of career success, but also in terms of their success as fathers. I’ll get 60 people, mostly men, some without children, but all of them interested in balancing work and family.”

James A. Levine, Executive Skills Workshop presenter, discussing a change in men’s aspirations.
The New York Times, May 20, 2001

“One of the hallmarks of GE managers is their toughness at making yes-no decisions, not setting up committees or bureaucracies. They are able to face realities, make a yes-no decision and move on about investments, products and people.”

Noel Tichy, professor of organizational behavior and human resource management, evaluating General Electric Co. management.
CNN Lou Dobbs Moneyline, July 3, 2001

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Mastering the Five Secrets of Great Value Creators

To succeed, individuals and organizations must improve their performance to create value, and here's how.

By Anjan V. Thakor, the Edward J. Frey Professor of Banking and Finance, University of Michigan Business School. Professor Thakor is a business consultant, researcher and the recipient of many distinguished teaching awards.

Why do some companies perform beyond expectations year after year while others start out strong but quickly fizzle? The answer lies in their ability to create value on a long-term basis.

Value creation occurs on two levels: (1) Organizational: What does it mean for your organization to be successful at creating value? (2) Personal: How do you create value? What today's companies need are better value creators, individuals who understand not only the organizational process but also the organizational dynamics that ensure continuing profits for a company and its shareholders.

My basic premise is that we all are concerned about creating tangible value. On a personal level, becoming a better value creator enables you to make more money and get promoted faster. Value creation also fulfills each of us as individuals, because so much of our lives is our work.

On an organizational level, companies must create value for their shareholders in order to succeed. If your firm is publicly traded and you are not creating shareholder value, you either die as an organization or are acquired by another company; or the CEO gets fired or employees are laid off.

In order for you or your organization to become a better value creator, you must know how to improve your performance in ways that create value. Basically, there are four fundamental ways for individuals and organizations to create value, and all four

compete with each other. In a "Wholomics" model, two of those ways are internally focused: control and collaborate. Two are externally focused: compete and create.

- **Control:** Using internal processes, such as cost control, risk management and manufacturing cycle time, to make the operation better, cheaper and surer.
- **Collaborate:** Sustaining the organization through its culture and its people.
- **Compete:** Competing more effectively and creating sustained shareholder value through externally focused activities, such as mergers and acquisitions and customer-satisfaction improvement.
- **Create:** Using innovation, forward thinking and other strategies to build future value in the organization.

Though everyone seeks to create value, in reality different functional units within an organization often work at cross-purposes because they have different perspectives about how value is created, i.e., they emphasize different quadrants of the Wholomics model. These four ways of creating value are essentially competing with each other for scarce resources, so there is always creative tension within the organization.

For example, as you move toward becoming more collaborative and building a culture within a company, you tend to move resources away from competing well externally. As you move toward being more creative, you start to weaken the control processes within the organization and expose the organization to more risk. In every

organization you face tradeoffs, and you usually can't have everything.

Likewise, if you are a manager, you must weigh the benefits of allocating your time and effort to building the right interpersonal relationships and creating the right culture versus finding ways to beat the competition.

Rather than make realistic tradeoffs, however, people tend to gravitate to extreme positions based on their value-creation viewpoints. Thus, a lot of energy is wasted within companies and a lot of value is destroyed because people do not understand the inherent tensions in value creation and are constantly engaged in "civil warfare." This warfare occurs not only because employees are self-interested but also because a person focusing on value creation in a particular quadrant often sees a person focusing on value creation in another quadrant as a *destroyer* of value. I like to call this "the enemy lives diagonally across."



Michael J. Schimpf

Anjan V. Thakor

The creative tension is there, but the steps you take to resolve it, both as an organization and an individual, are guided by knowing what your strategy should be and the key value-driver for your organization. Having the right strategy is only the starting point, however. Your course of action also depends upon other factors, such as where your organization is in its

development and where the market opportunities lie.

One company that has dealt well with creative tension is EMC, a data-storage equipment maker. The company's CEO solicits ideas from customers about new products and deliberately cannibalizes existing ones. This is an example of "creative destruction." It is a growth-oriented strategy.

Things are quite different at Bank of America, following its merger with Nations Bank. Both organizations have grown rapidly and now need stability to digest everything. So they have a deliberate strategy that is focused upon execution, minimizing risk and integrating employees. Bank of America has decided to resolve its creative tension through the control and collaborate quadrants.

To contact Thakor directly, send messages to athakor@umich.edu.



Becoming a Better Value Creator by Anjan V. Thakor is part of the University of Michigan Business School Management Series.

To order a copy, call toll-free 800.956.7739, fax 800.605.2665 or visit www.umbsbooks.com.

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To learn more, enroll in one of Prof. Thakor's upcoming Executive Education courses:

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The Five Secrets of Great Value Creators

Secret 1 Clearly understand what value means to you and your organization.

If your company is a publicly traded organization, it is related to financial performance at the end of the day. Not-for-profit organizations have a much harder time defining value, because they lack the "shareholder value culture" that lends clarity to what value means to for-profit firms. If you are an individual within the organization, you must understand how you create value through your job.

Secret 2 Understand the competing ways to create value.

Every organization and every job involves tensions along the four dimensions of value creation: control, collaborate, compete and create. It is important to recognize these competing forces and to work to resolve them.

Secret 3 Know your organization and personal strategy.

Strategy is a road map for how you are going to create value. It determines how you are going to allocate resources. If you are an organization, strategy dictates where the people and dollars are going. If you are an individual, it dictates what you are going to do.

Secret 4 Develop the appropriate measures of success.

Every organization has its own expectation of what you have to do to be successful. At the personal level, if you are going to be a great value creator, you have to have a personal measure of success that typically exceeds the organization's expectations.

Secret 5 Become a master of speed without sacrificing quality.

There is a systematic way to improve your speed and efficiency in handling multiple tasks. First, you must have an intense task focus. Second, you have to undertake a pretty complex portfolio of activities and concentrate on one activity until you reach a dead spot or stopping point, then switch quickly to another activity and so forth. The key to becoming a master of speed is to understand you cannot allow the complexity of the portfolio to affect your focus on any given project.

Dodging “Earnings Torpedoes”

Selecting companies with good earnings quality enables investors to avoid getting stung, says Business Professor Richard Sloan.

Today's stock investors seem to be fixated on company earnings as indicators of value and pricing. However, they may be focusing on the wrong thing, according to Richard G. Sloan, the Victor L. Bernard-PricewaterhouseCoopers Collegiate Professor of Accounting at the University of Michigan Business School.

When corporate revenues begin to slip in the wake of an economic slowdown, companies are tempted to use accounting sleight of hand to keep earnings growth on track. They may report current earnings based on the assumption they will get large cash flows in the future. Often these “guesstimates” are overly optimistic.

Now we are in an environment where everyone is realizing fundamentals are important and valuation ultimately must be tied to those fundamentals...

“Some firms look like they have great earnings, and on that they get great stock prices,” says Sloan. “Then, suddenly, it is revealed the anticipated cash flows are not going to be collected, and their stock prices drop precipitously.” He calls these large drops in stock price, which are triggered by disappointing news about the earnings performance of companies, “earnings torpedoes.”

Over the past year, investors have seen all too many “earnings torpedoes.” Lucent,

Gateway, Palm, Cendant and Sunbeam are just a few of the high flyers with once-rosy earnings reports that have crashed and burned, taking millions of hard-earned investment dollars down with them.

Sloan contends it is crucial for stock investors to look for companies with good earnings *quality* rather than just good earnings. By definition, companies with good earnings quality have both high earnings and high cash flow and the ability to sustain that cash flow at current levels into the future.

“Some investors use earnings as an indication of company value,” says Sloan. “I demonstrate that if you do a detailed evaluation of the underlying cash flow supporting earnings, you can learn more about what the company is really worth.” Simply put, firms that have high earnings but not high cash flows are more likely to disappoint in their future earnings.

Sloan designed a “quality of earnings” formula in 1990 while teaching accounting at the University of Pennsylvania’s Wharton School and back-tested it on thousands of companies over a span of 40 years. “I found the formula worked very well in terms of predicting which companies would have earnings disappointments in the future,” he says.

In the next stage of his research, Sloan looked at the stock market reaction during that time period to see if these “earnings torpedoes” took the investment community by surprise. Then, using his quality-of-earnings formula, he developed a trading strategy based upon the ability to identify companies that are likely to disappoint on their earnings.

Sloan admits his research was considered “pretty controversial” when he first published it in 1996. Over the ensuing years, however, it gradually has gained widespread acceptance. Since joining Michigan’s Business School faculty in 1997, Sloan has refined and popularized his earnings-quality analysis. This summer he received the American Accounting Association’s annual award for “notable contributions to the accounting literature” for his work in this area.



Michael J. Schimpf

Richard G. Sloan

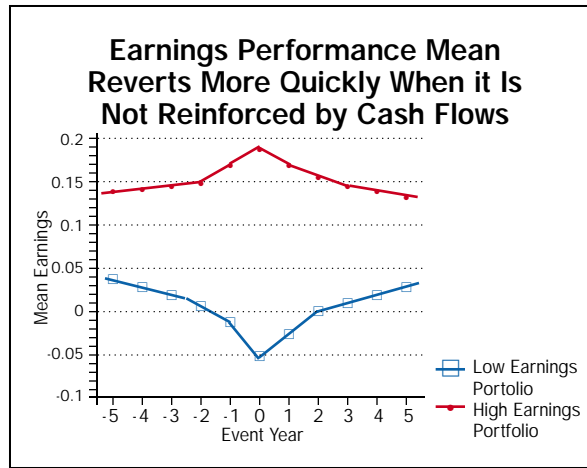
Recently, Sloan has become a familiar face on Wall Street and the national conference circuit. On campus, he has incorporated his quality-of-earnings screening into two of his Business School courses, one on financial statement analysis and the other on portfolio management. He also has developed a new software product, *eVal*, designed to help students build a more comprehensive valuation model for any publicly traded U.S. company using a series of sophisticated spreadsheets. “As it has turned out, every man and his dog are doing this now,” says Sloan. “From students to practitioners and academics, there is now a lot of interest in this area.”

Just over 18 months ago, Sloan spearheaded the creation of a financial research and trading facility, commonly called the Trading Floor, on the Kresge Library’s fourth floor. A grant from Dell Computer

and online access to financial tools from major brokerage houses helped to equip this state-of-the-art facility with 11 computers and proprietary software, which enable students and faculty to analyze, track and trade stocks in real time.

“The purpose of the Trading Floor is to get students over that hump of being in a traditional classroom setting to where they are solving real-world problems using highly sophisticated software that was created to apply the classroom theory,” says Sloan. Students in his Applied Financial Analysis and Portfolio Management classes trade stocks in a real portfolio of \$100,000, provided by the School for educational purposes, utilizing earnings-quality analysis to identify stocks with good earnings quality. “We’re up 15 percent while our benchmarks are down 10 percent to 40 percent,” reports Sloan.

In addition to classroom activities, Business School students maintain two Web



sites, www.earningstorpedo.com, which lists companies they think will have earnings disappointments based upon their earnings-quality analysis, and www.valuedog.com, which identifies under-priced stocks with strong underlying cash flows.

“Now we are in an environment where everyone is realizing fundamentals are important and valuation ultimately must be

tied to those fundamentals,” says Sloan. “We are seeing that quality-of-earnings analysis is really critical, especially with high-tech companies.”

Looking toward the future, he predicts it is unlikely the stock market will return to the euphoria of 1999 and early 2000 when Internet companies were inflated by stratospheric stock prices, and venture capitalists were plowing big bucks into start-up companies with no revenue or earnings.

“Now that investors are a lot more skeptical and more hesitant to throw money at the customers of technology companies, these firms are going to have a much rougher time growing their sales and earnings,” says Sloan. “Eventually these companies will work through their inventories, but then sales and earnings growth will be a lot slower.”

To contact Sloan, send messages to sloanr@umich.edu. Visit www.earningstorpedo.com and valuedog.com.

Through their ongoing research, University of Michigan Business School faculty members continue to bring new knowledge and new thinking to the classroom and to the business community at large.

Below are brief synopses of recent research in two different areas, accompanied by pertinent publication and contact information.

International Portfolio Investment

International portfolio investment has become increasingly important as a result of changes in the global economic and political environment. Söhnke M. Bartram and Gunter Dufey studied the advantages and the risks involved in investing internationally. As emerging markets, in particular, have become more accessible, these markets have begun to offer seemingly attractive investment alternatives to investors around the globe. International capital flows also have been driven by a divergence in population trends between developed and developing countries.

Mature, industrialized countries today are characterized by aging populations with significant needs for private capital accumulation. The underlying demand for savings vehicles is further reinforced by the necessary shift from pay-as-you-go pension plans to

ward capital market-based arrangements. By the same token, developing countries with relatively young populations require persistent, high levels of investment in order to create jobs and raise standards of living in line with the aspirations of their populace. All this provides significant incentives for the growth of international markets for all kinds of financial claims in general, and securities in particular.

The environment has become more conducive to international portfolio investment (IPI), and the potential benefits for savers and investors have lost none of their fundamental attractions. These benefits include the less-than-perfect correlation between national economies, the possibility of hedging an increasingly international consumption basket and the participation in exceptional growth opportunities abroad.

However, there is considerable controversy among investment professionals, both in academia and the financial services industry, regarding to what extent these intuitively perceived benefits of IPI are sufficiently significant. When the circumstances of the real world are taken into account, additional risks, costs and other constraints to IPI limit the potential advantages and, at worst, negate the benefits.

Two unique risks, which the authors analyze in their paper, are currency (or exchange) risk and political (or country) risk, both of which are mitigated through diversification or choice of country. In addition, there are institutional constraints, particularly in the area of taxation. Taxes can be both an obstacle to and an incentive for IPI. The authors also discuss foreign exchange controls, capital market regulations,

transaction costs and investors' familiarity with foreign markets. Some of these concerns are mitigated by advances in technology and the adoption of more investor-friendly policies in many countries.

The research paper examines channels for direct international portfolio investment through the purchase of foreign securities in either the foreign or domestic market and for indirect investment through equity-linked Eurobonds, the purchase of shares of multinational corporations and international mutual funds.

The authors recommend that investors carefully consider the advantages and risks involved in international investing, including alternatives of using "global industry" funds



Gunter Dufey

to minimize risks. They conclude that investment opportunities are based on internationally segmented securities markets, which offer advantages for those who can overcome the barriers effectively. The authors further suggest that private investors consider buying country index funds and investing in shares of multinational corporations to achieve cost-efficient diversification benefits.

Their research is scheduled for publication in late 2001 in *Financial Markets, Institutions and Instruments*, Blackwell-NYU Stern. Read their working paper at <http://eres.bus.umich.edu/docs/workpap/wp01-006.pdf>. or contact Gunter Dufey at gdufey@umich.edu.

Private International Cartels

In their research, Simon J. Evenett, Margaret C. Levenstein and Valerie Y. Suslow delved into the complex world of private international cartels, tracing their economic history, examining national competition policies and assessing the effect of current policies on cartel trends. The authors also presented options for reforming national policies, promoting international cooperation to deter cartels and ensuring the continuance of appropriate competition in the marketplace.

Growing trade liberalization has increased the incentive for companies to participate in cartels, which can drive up consumer prices and limit competition in certain markets. As an example, in a recent sample of 20 international cartels, the volume of affected sales worldwide exceeded \$30 billion. National competition policies are targeted at controlling cartel operations in domestic markets, but often do not address the growing international impact of cartels.

The authors defined three types of international cartels. "Hard core" cartels are composed of private producers from at least two countries who cooperate to control prices or to allocate shares in world markets. In "private export" cartels, independ-



Michael J. Schimpf

Valerie Y. Suslow

ent, non-state-related producers from one country take steps to fix prices or to engage in market allocation in export markets, but not in their own domestic market. In "state-run export" cartels, government entities work together to fix prices and production.

The authors focused primarily on hard core cartels, and to a lesser extent on private export cartels, examining the basics of cartel performance and implications for antitrust policy. They traced the prevalence,

formation and duration of hard core cartels, based on a sampling of 40 cartels involved in recent U.S. and European Union prosecutions. The firms participating in these cartels represented more than 30 countries. The authors analyzed the strategies used to prolong the life of the cartel, including building barriers to entry in the market. In looking at export cartels, they discussed the legal status, prevalence, activities and anti-competitive effects.

Turning to policy, the authors reviewed legal control issues and suggested opportunities for reform. Laying aside the idea of creating a global enforcement authority, which nations are reluctant to adopt, they suggested extending various bi-lateral cooperation agreements on antitrust to all industrial countries, forming one "plurilateral" agreement. Further, they recommended taking a pro-efficiency approach to drive all competition policy enforcement, so that competitive pressures are maintained and price-fixers are deterred from seeking other avenues to limit competition.

This research paper will be published in *World Economy*. Read their working paper at <http://eres.bus.umich.edu/docs/workpap/wp01-011.pdf> or contact Valerie Suslow at suslow@umich.edu.

Hitting Half a Century

1951 graduates continue their “cutting-edge” tradition with a history-making 50th Reunion and class gift.

The Class of 1951 was no ordinary graduating class and never has been, as **Bruce Cook, BBA '50, MBA '51**, remembers it. “We were on the cutting edge of a new age,” he recalls. “The Business School at the University of Michigan grew up about the time we graduated, and the change that happened on our watch was enormously important.”

Little wonder that when Cook and 99 fellow classmates gathered in June for their 50th year class reunion, they continued their history-making tradition by presenting the Business School with a \$2.3 million class gift. It was one of the largest, if not

the largest, class gift ever given by a class to the School. The money will be used to establish scholarships and to fund other academic programs.

“We’ve probably had more five-year reunions than most, only missing one, and they’ve really helped bolster our ties to the School,” says Class vice president **Charles “Chuck” Strickland, BBA '50, MBA '51**. “This time was special, being the 50th, and classmates who had never been to a reunion before came. There were a lot of repeaters too.”

One important figure was missing from the gathering, however. Class president

John McCarthy, MBA '51, who was regarded as the “founding spirit” and “drum major” behind the reunions, and served for 50 years as a dedicated member of the alumni constituency, died earlier this year. Strickland stepped up to the plate at the last moment and helped to rally the reunion committee, ensuring the long-anticipated celebration would continue as planned.

We’ve probably had more five-year reunions than most, only missing one, and they’ve really helped bolster our ties to the School.

Reunion-goers gathered on June 1 for a luncheon, a tour of the Business School and the traditional class picture. Many were surprised at the changes. “The new additions to the School are architecturally striking,” says Strickland, who was one of the founders of the *Monroe Street Journal* student newspaper and is now retired from Rust-Oleum Corp. “In 1951, we were in a small building on the corner of Monroe and Tappan streets. Now the School occupies the whole block.” Before the Business School was built in its current location, students attended classes in Tappan Hall on State Street.

“It was the end of World War II, and we were one of the first classes to be entirely post-war students,” Cook recounts. “In addition to being one of the first graduating classes to come through the new Business School building, we had a new dean, Russell Alger Stevenson (1944–1960), who elevated the School to a new level.” These changes, he says, created a greater degree of identity, recognition and prestige for the School. “For the first time, the Business School was really *something* on campus,” Cook adds. “We were among those who propelled that transformation.”

Some things never change, however. On hand in June to welcome the alumni, many of them his students a half century ago, was Paul W. McCracken, the Edmund Ezra Day Distinguished University Professor Emeritus of Business Administration, Economics and Public Policy. “He was a remarkable professor, an icon, and I still remember his classes and the papers I wrote,” Cook says. “His thread has been tied with mine for 50 years.”



Photo by Michael J. Schimpf

Presenting the Class of 1951's gift check are: (left to right) Peter Dendrinis, Byron Webb, Charles Strickland, John Bunbury, William Ruzicka and Paul Brentlinger.



Photo by Michael J. Schimpf

Former Dean B. Joseph White with his wife, Mary.

A Legacy of Innovation

New endowment honors former Dean B. Joseph and Mary White

Business School alumni, spearheaded by **Keith Alessi, MBA '47**, have established the Innovation Initiative Endowment to honor former Dean B. Joseph White and his wife, Mary, and to perpetuate the vibrant spirit of innovation he brought to the School during his 10 years as dean. "We felt this endowment would be a fitting tribute to Joe and Mary, and that it would exemplify Joe's tenure as dean," says Alessi.

More than \$3.5 million has been raised since March 22 when creation of the endowment was announced at the School's

annual scholarship dinner. An ongoing campaign for gifts will provide additional financial resources in coming years.

"The University of Michigan Business School has become an innovation leader during the last decade," says White. "Mary and I are extremely pleased and grateful that there will be an Innovation Fund to enable future deans of the School to maintain this important competitive advantage of our School."

The Innovation Initiative will provide initial funding for creative teaching, research and outreach programs and activi-

ties brought forth by Business School students, faculty and staff. It also will enable the School to sustain its innovative leadership in management education and to continue to build its reputation as a top-ranked business school.

Leading-edge programs pioneered at Michigan during Dean White's era have served as models for other business schools around the country. The Multidisciplinary Action Program, for example, enables students to apply their academic learning to real-life business situations, and Global Citizenship encourages them to become actively involved with nonprofit community organizations. Other exciting new initiatives have been launched to explore issues affecting the future of women in business, to implement admissions testing that will identify practical intelligence and to participate in a cross-national coalition of business schools.

For more information about the endowment or to make a gift, contact Frank C. Wilhelm, assistant dean for development and corporate relations at the Business School, at fcwilh@umich.edu.

Innovation Initiative Endowment Fund Contributors

Keith E. and Valerie J. Alessi
John W. Barfield
Greg M. Boll
Mary L. and Brian P. Campbell
William Davidson
Allan D. Gilmour
The Globe Foundation
Michael and Mary Kay Hallman
Shirley and Barnett Helzberg
Michael and Susan Janderno
Thomas C. Jones
Bill and Sally Martin
The Ray E. Newton Jr. Family
The Wilbur K. Pierpont Family
Thomas S. Porter and
Kathleen J. Crispell
Richard and Susan Rogel
David and Carole Shelby
Amnuay and Khunying
Samonari Viravan
Frank T. and Barbara E. Westover
J. D. and Judy Williamson II
Jerome and Eilene York

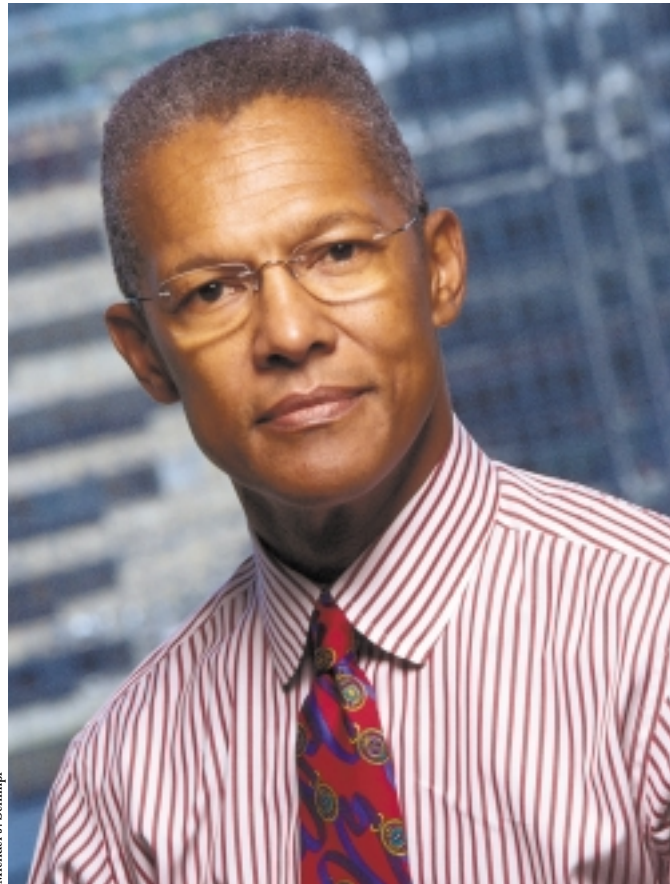
Cleveland Christophe, MBA '67, sits on the Dean's Visiting Committee, is a board member of the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies and is one of the founding trustees of the Business School's Growth Fund. He's also managing partner of the TSG Capital Group in Stamford, Connecticut, which he co-founded; *Fortune* rates it as the largest minority-run firm in the U.S., with approximately \$750 million in capital.

Christophe grew up in Pine Bluff, Arkansas, and went to Howard University after receiving a National Science Foundation grant to study there the summer before his senior year in high school. "When I had to declare a major, I found some business law classes that led to other classes, I interned and I was hooked," says Christophe.

Christophe had a summer internship at Lazarus Department Stores in Columbus, Ohio, and they wanted him after graduation. "I knew little about MBA studies, and was considering various workplace alternatives," says Christophe. One professor asked him to speak with a visiting dean from Harvard. "After that," laughs Christophe, "I was interested in an MBA but not at Harvard. A store personnel manager told me to put Michigan at the top of my list. It was the only school I applied to."

"Of some 800 students, I was the only one who looked like me. I tell today's students I found my support structure when I looked in the mirror every morning. The significant increase in the desire to have minority representation in business schools came in the early 1970s. I arrived in Ann Arbor questioning whether I was sufficiently prepared, but I never felt out of place. I was able to easily build friendships."

Christophe was interested in the style of investing, invest-



Michael J. Schimpf

The Adventurous Venture Capitalist

Cleveland Christophe, MBA '67

ment research and the buy side. He interviewed with 13 companies and went with First National City Bank (Citicorp). "They had an entrepreneurial style. I was the first black in a high-powered group of 45 MBAs. I was in investment research for two years, went to a retail conglomerate for one year

and then was persuaded by three young MBAs who had started an inner-city fast food restaurant chain to join them as chairman and CEO."

Later, Christophe was approached by Phil Smith, president of Citibank's venture capital subsidiary, about returning to the bank. Christophe started

in January 1971 and was vice president in less than five years. He then returned to investment research; but in April 1975, "I told the head of the international banking group I wanted experience at credit, marketing, operations and treasury management to give me cross-cultural experience and develop a sense of mastery so I would be able to run some area of significance to the bank. Four months later I was in Paris."

*I tell today's students
I found my support
structure when I
looked in the mirror
every morning.*

Christophe was chief of staff for the head of operations for six months, then built an offshore asset domiciliation center in Monte Carlo and returned to Paris as country operations head. He then moved to San Francisco with responsibility for corporate banking for high-tech industries. In 1983 he went to Kingston, Jamaica, and was running all of Citibank's business there. He then took a similar but larger assignment in Bogota, Colombia.

"I now had accomplished everything at the bank I cared to. I left in 1987 and went to Connecticut with the naive view I was going to take my savings, find a small company I could acquire and build," says Christophe. "Instead, I joined my attorney, Reginald Lewis, as his partner. He had already purchased the McCall Pattern Company and made a tremendous profit. That gave us the reputation to convince Michael Milken to back us in buying the Beatrice Foods conglomerate for \$1 billion. I became a founding partner of TSG Ventures in May 1992. We buy companies, work with management to build value in them and return significant value to our investors."

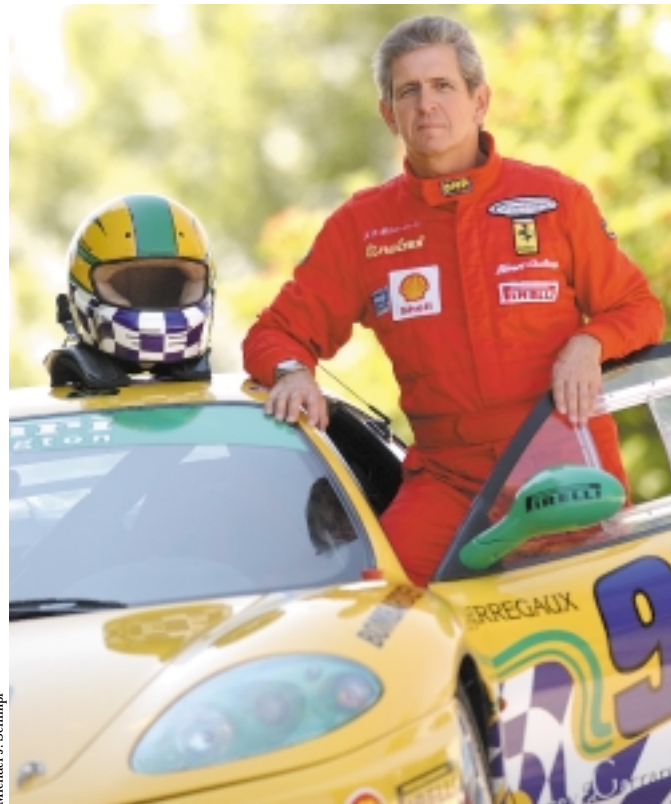
**ALUMNI
AT LARGE**

ALUMNI AT LARGE

When J. D. Williamson II, BBA '67, MBA '68, stepped down as the Business School representative on the board of the University's Alumni Association, his involvement certainly didn't end. Williamson serves on the Business School's Alumni Board of Directors; his family endowed the Williamson Family Professorship of Business Administration; and when you admire the Business School's art, you also are seeing the generosity of J. D. and his wife, Judy.

Williamson, born and raised in Youngstown, Ohio, graduated from Culver Military Academy in 1963 and went directly to the University of Michigan, continuing a family tradition that began with his father, W. P. Williamson Jr., in the 1920s and includes his brother, **Warren P. (Bud) Williamson III, MBA '54**, and their late sister, Barbara Williamson Stewart. The family broadcasting business was started in 1926 by their father, who transmitted from his living room. Ultimately, the family procured several radio stations, developed the CBS TV affiliate in Youngstown and added cellular phone systems during the 1980s and '90s.

When J. D. received his BBA, he was commissioned in the Army, earned his MBA and then served two years. "I went to work in the family business as a TV salesperson and oversaw our FM station," says J. D. "I used a new format, ran it for three-and-a-half years and then took a job in Kansas City



The Artful Racer

J. D. Williamson II, BBA '67, MBA '68

as sales manager and assistant general manager for a rock and roll start-up station. But my dad gave me a head start that few people get, so in 1976 I married Judy and went back to Youngstown." In 1993 J. D. became president and CEO of WKBN Broadcasting Corporation. Concurrently, his brother expanded their cellular business

which sold in 1998. "We sold our last businesses by 1999, and that's how I came to retire at age 52.

"I was always interested in sports cars, though, and from 1995 to 1999 drove Ford Mustangs in the Sports Car Club of America circuit. It was amateur racing where I did all the work. I wondered what might be

more competitive, and that's when a friend told me about the Ferrari Challenge," J. D. says. "I raced a 360 Ferrari Modena last season for the first time and ended up seventh in the series, which was very respectable. The mental challenge and competitive spirit is an adrenaline rush. As long as my skills improve, I'll continue. I still have some entrepreneurial business endeavors that don't require daily oversight. Judy travels with me a lot, with eight or nine racing weekends per year, and now we are starting to do more international traveling, including the World Ferrari Challenge Finals in Mugello, Italy, last fall.

"I was fortunate to be in the right place at the right time, but the Business School was absolutely critical to my success. I am so impressed with how they are training young people to run businesses and be successful team players. I thrive on my involvement there, and it's wonderful to see what they are doing to make it the best. I chose the family route, but I continually see other folks who didn't have that head start I had but are so incredibly sharp and committed. Dean White was exceptional in bringing the School to where it is today. I think Dean Dolan's arrival is very exciting also, and I look forward to working with him. My involvement is almost as thrilling to me as my auto racing. I have a very special feeling for the University of Michigan."

By Fred Wessells



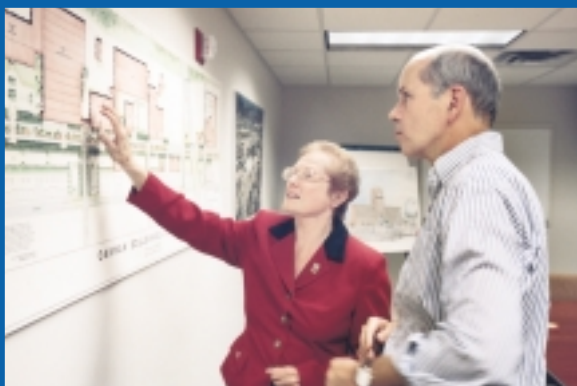


During his first months as dean of the University of Michigan Business School, Robert Dolan greeted students (above), presented his vision to the faculty (opposite page), and hosted receptions with his wife, Kathleen (opposite page). At Focus:HOPE in Detroit, he met with executive director Eleanor Josaitis and toured a training facility (opposite page).

Photography by Michael J. Schimpf, Martin Vloet

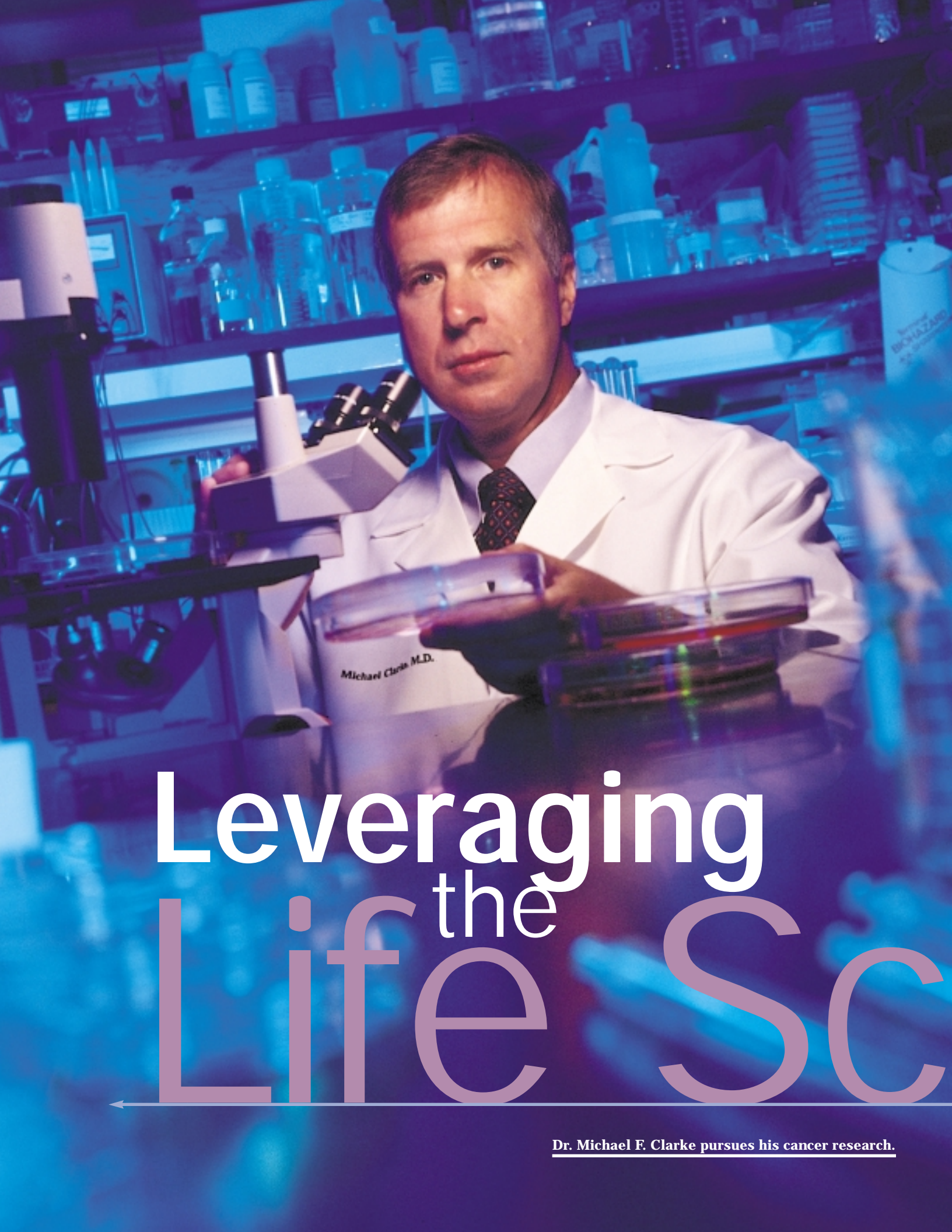
Our Great Strengths

- Quality of Faculty
 - Dedication to Scholarship
 - Goodwill to One Another and UMBS
- Position within University of Michigan
 - Great Research University
 - Tradition of Cooperation and Coordination Across Schools
- Programs – BBA, MBA(5), Ph.D., FF
 - Reach
 - Faculty Development
- Reputation / “Brand” Awareness



Our NEW DEAN In Action





Leveraging the Life Sc

Dr. Michael F. Clarke pursues his cancer research.

The Business School joins the race to build a biotech industry in Michigan.

Dr. Michael F. Clarke opens an incubator in a cluttered laboratory on the fourth floor of the University of Michigan Cancer Research Center and removes a saucer-shaped glass petri dish from a rack. Carefully, he slides the dish under an inverted microscope and peers through the eyepiece at different populations of cancer cells. Based on his research at the University, he has discovered that only a small number of cells in a cancer are capable of forming a tumor or spreading. “By being able to identify the cells that form tumors, we can more finely target the cells that kill people,” he explains.

Dr. Clarke believes new technology can be used to develop therapies and drugs targeting tumor-forming cancer cells. “If this is successful, we’ll make a real dent in cancer,” says the veteran researcher, who is a professor of internal medicine and molecular medicine and genetics at the Medical School and a specialist in bone-marrow transplants. Dr. Clarke and three partners, two of them colleagues at the Cancer Research Center, have licensed this technology from the University and spun out a new biotechnology company called CSCG to commercialize it.

iences

By Claudia Capos

PHOTOS BY MICHAEL J. SCHIMPF

CSCG is among the first of many promising start-up companies to benefit from an ambitious statewide initiative launched in 1999 to establish a Michigan Life Sciences Corridor to promote basic research needed to create new technologies and provide the support to take those ideas to market. This far-reaching alliance brings together researchers from universities and industry throughout Michigan who hope to:

- Provide new or enhanced cutting-edge technology to the state
- Stimulate new research and development initiatives, including technology transfer
- Attract the brightest researchers to Michigan, including new business ventures
- Train the next generation of life scientists

The University of Michigan Business School's faculty, students and graduates will play a key role in this initiative by providing experienced leadership, project assistance and venture capital for start-up and established companies as they translate research results into new products and technologies that benefit the public. The School also will ensure that future generations of business leaders and entrepreneurs are "in the pipeline" by providing today's students with the skills and experience they will need through innovative coursework and experiential learning.

The Business School's new dean, Robert Dolan, sees the Life Sciences

Corridor as a prime opportunity for business students, faculty and staff to accelerate the pace of collaborative teaching and research and to partner on promising biotechnology ventures with talented University scientists and medical researchers. In addition, the initiative will offer countless possibilities for working closely with entrepreneurs, venture capitalists and business leaders throughout the state. "The School's participation in this initiative will put our students and faculty on the front tier of business knowledge and fulfill our social responsibility by helping to bring potentially life-saving new drugs, therapies and diagnostic tools out of the University and into commercial use," says Dolan.

In 1999, Michigan Governor John Engler and the state legislature initially pledged \$50 million a year for 20 years from the state's share of the nationwide tobacco settlement to develop Michigan as one of the world's premier life-sciences research and commercial centers. The corridor for economic development stretches from Detroit to Grand Rapids, and includes the University of Michigan, Wayne State University, Michigan State University and the nonprofit Van Andel Institute in Grand Rapids.

The presidents of these four research institutions originally conceived of the idea for the Life Sciences Corridor, which is being coordinated by the Michigan Economic Development Corp.

State officials hope the life-sciences industry will stimulate business formation, job growth and capital investment in Michigan, much as Silicon Valley's high-tech industry did in California.

"The big picture is to translate all the talent we have in the research area into businesses and jobs in Michigan," says **Michael Jandernoa, BBA '72**, who is the chairman of Perrigo Company, a West Michigan pharmaceutical firm, and a member of the Corridor Initiative's steering committee. "We also want to expand the amount of research done here, much of it resonating from the universities and the Van Andel Institute, and to enable researchers to leverage that knowledge base through technology transfer and start-up support for new businesses."

The Corridor Initiative's steering committee solicits research and project proposals and determines which ones will get state funding. In the first two years of the Corridor Initiative, the University of Michigan received more than \$48 million in research grants, and Ann Arbor companies received the majority of dollars available for private businesses, totaling \$11 million.

The University's Initiative

At the University of Michigan, President Lee Bollinger has spearheaded the establishment of a campus-wide Life Sciences Initiative, which will coordinate

*'The big picture is to **translate all the talent we have** in the research area into businesses and jobs in Michigan.'*

— Michael Jandernoa

What Is the "Life Sciences"?

The life sciences can be defined broadly as multi-level investigations of living things. The scope of these investigations ranges from DNA and proteins at the molecular level to entire organisms and communities of living creatures. Some life-sciences researchers study the complex functions of interacting cells. Others look at tissues and organs, such as the heart and lungs. Still others track the changes in living creatures during growth, development, adaptation, reproduction and aging.

Learning how to read and write the code that builds and operates organisms is vitally important. At the heart of this is the DNA molecule. Thus far, researchers have sequenced the complete genomes of dozens of viruses and bacteria and 10 multicellular organisms, including human beings, the malaria parasite, the fruit fly and brewer's yeast. Mouse DNA will be sequenced within the next year, and the U.S. National Institutes of Health has provided a \$9 million grant to Celera Genomics Group to sequence the

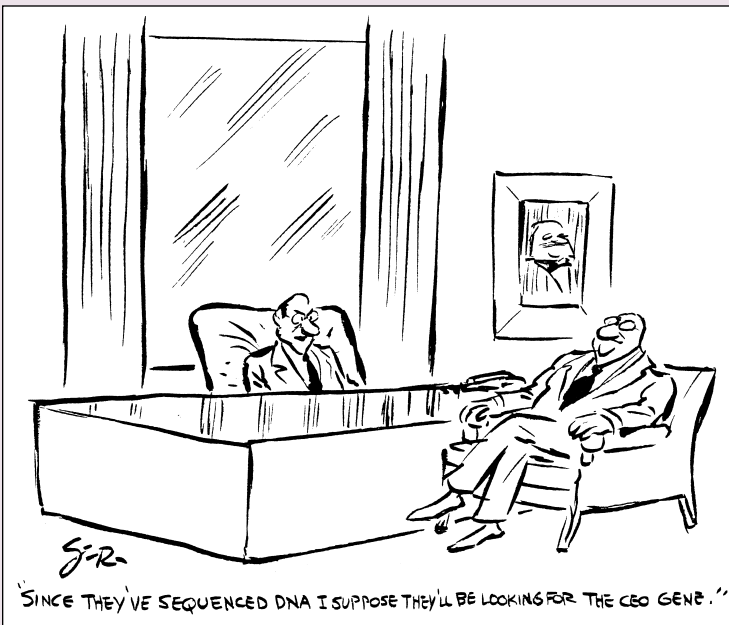
genetic code of a mosquito. From this research, scientists are learning some of the basic rules governing all life forms. The information they gather also may help them understand diseases better and eventually aid in treatment and prevention.

The University of Michigan's Life Sciences Initiative seeks to enhance understanding of the complexity of living organisms, and is guided by seven broad themes in its teaching and research efforts. The initiative has a multidisciplinary character, and many courses of study will cross the traditional departmental boundaries.

The seven major themes are:

- Biocomplexity
- Bioinformatics
- Biotechnology and translational research
- Chemical and structural biology
- Cognitive neuroscience
- Genomics and complex genetics
- Life sciences, values and society

(Visit www.lifesciences.umich.edu for definitions and additional background.)



Initially, the University's new Life Sciences Institute will focus on cellular signaling, which is how very specific proteins like insulin are used as messengers to control and coordinate the actions of trillions of cells in a human or other living thing.

Investors are excited about the life sciences because scientific breakthroughs will open a promising new era in healthcare, agriculture, materials science and other industries. New businesses will be created and new products will be developed, including foods, drugs, diagnostic tools and much more.

From The Wall Street Journal—Permission, Cartoon Features Syndicate.

and expand research and teaching in rapidly advancing biomedical fields. In May 1999, the Board of Regents approved the initiative and the creation of a Life Sciences Institute on Palmer Drive. The initiative's primary focus will be on the life sciences, but it also will extend beyond traditional "hard science" disciplines to areas such as law, business, economics, engineering,

public policy, etc., that deal with the consequences of rapidly accelerating scientific research.

Special life-sciences curricula and research are being developed, and a new Life Sciences, Values and Society Program has been launched to study the legal and ethical implications of life-sciences research. A Life Sciences Lecture Series and Faculty Seminar

Series will offer continuing insights into new research and developments.

Now under construction, the \$100 million, 230,000-square-foot Life Sciences Institute will serve as a physical and intellectual bridge between the University's central campus and the medical center. Completion is scheduled for spring 2003. The Institute's co-directors are Jack E. Dixon, a



Michigan Ranks No. 1

The University of Michigan is the nation's leading university in research expenditures and a pioneer in biomedical innovations. The electrocardiogram, the polio vaccine and synthetic penicillin were invented at Michigan, and its Medical School was the first to have a department of genetics. Currently, Francis Collins, a professor of internal medicine and human genetics on leave from the Michigan Medical School, serves as the director of the National Human Genome Research Institute, which sequenced the human genome. Collins also is one of three discoverers of the cystic-fibrosis gene.

In FY 2001, research expenditures at Michigan totaled \$580 million, surpassing all other private and public universities in the country. During that period, the University's Technology Management Office (TMO) spun out a record 12 start-ups, five of them life-sciences companies, and collected \$8.2 million in revenues generated from licenses to existing companies and start-ups for discoveries developed on campus. The University often takes an equity stake in the start-up companies it licenses.

With its world-class programs in medicine, the biological sciences, engineering and bioengineering, business and public health—and its strong tradition of collaborative teaching and research throughout the campus—Michigan is uniquely qualified to pursue multidisciplinary research in the life sciences. The University's mission includes the transfer of new knowledge to society; and the primary reason it pursues commercialization is to serve the public good, not to generate revenue, according to Kenneth Nisbet, director of technology commercialization in the TMO. Some funds are generated as a result, but that is not the true focus of technology transfer, he says.

Other leading research institutions, such as Columbia University, Stanford University and the Massachusetts Institute of Technology, have been highly successful in the quality and quantity of technology transferred from their respective schools. Although their efforts have generated large revenues, their true success is measured by the impact on the faculty, surrounding communities and general public. Columbia amassed \$166 million in total technology-transfer revenue for 2000, the highest amount collected by any U.S. research institution in technology licensing. Last year, Stanford spun out 20 start-ups, collecting \$36 million in revenue, and MIT spun out 25 start-ups, drawing in \$34 million. Among in-state schools, Michigan State University generated \$26 million from technology transfer license fees and royalties in 2000, mostly from two blockbuster cancer-fighting drugs, which were developed on campus and then sold to Bristol-Myers Squibb Co.

With powerful new biomedical research tools in hand, the recent completion of the human genome and the promise of lucrative spinoffs, life-sciences initiatives also have sprouted at Harvard, Princeton, Berkeley and other universities. Competitors are building new life-sciences facilities of their own, opening in three to five years, and are competing directly with Michigan for top talent and research dollars.

member of the National Academy of Sciences and the former chair of the University's department of biological chemistry, and Scott Emr, a cell biologist who is coming to Michigan from the University of California, San Diego.

The Life Sciences Institute will hire 20 to 30 world-class researchers from outside the University and offer fellowships and research sabbaticals to Michigan faculty who wish to work there. Additional plans include the construction of a four-story Science Instruction Center to house classrooms and labs for the new life-sciences curricula and a 99,000-square-foot Commons for offices, conference space, retail and dining facilities. Eventually, the University's investment could be in the \$500–\$700 million range.

A Collaborative Partnership

The Business School historically has supported new business development and entrepreneurship through its coursework, seminars, student internships, Multidisciplinary Action Projects, faculty consulting and venture capital fund. Existing courses and degree programs will be accelerated, and new ones may be created, as the life-sciences movement gains momentum. The emergence of new biotech companies will offer real-time learning opportunities for students as well as increased demand for graduates who can apply their business education to life sciences-based ventures.

"I think Michigan's Business School is uniquely positioned," says Jander-noa. "We need to bring together disciplines, education and faculty to create new businesses. The School can take knowledge and research findings from the medical field, link those to the engineering required to build new products



Construction has begun on the University's \$100 million Life Sciences Institute.

and then support the efforts of start-up companies to raise capital and develop their business plans.”

The collaborative partnership forged between the life sciences and business interests statewide and at a university level offers researchers and entrepreneurs a wellspring of talent, resources and financial support. CSCG, for example, recently received a \$1.1 million state grant through the University from the Life Sciences Corridor Initiative. Over the summer, a first-year MBA student and a law student, working under the auspices of TechStart, a 14-week internship program, helped develop a business plan that will enable the fledgling company to carry its commercialization efforts forward. TechStart is a collaboration between the University's Technology Management Office and the Samuel Zell and Robert

H. Lurie Institute for Entrepreneurial Studies at the Business School, which helps fund the program.

“If you really want important scientific findings to help people, those findings must be commercialized,” says Dr. Clarke, who spun off an earlier company, Aastrom Biosciences, which uses blood stem cells therapeutically and is publicly listed on the Nasdaq Stock Market. “We (in the Medical School) have the expertise in science, and the Business School has the expertise in commercialization. A marriage between the two is needed in order for the University of Michigan to fulfill its Life Sciences Initiative and goals.”

High Stakes

Today major advancements, such as gene sequencing and the development

of gene therapies, are transforming the biological and medical sciences. These breakthroughs hold tremendous implications for furthering understanding and improving medical diagnosis and treatment. Knowledge uncovered in the research process frequently has important commercial applications as well.

The life-sciences area has emerged as a multi-million-dollar industry that universities, venture capitalists, state governments and even foreign countries are pursuing in earnest. The stakes are high for the state of Michigan, its citizens and leading universities. According to preliminary projections, over the next 10 years the Life Sciences Corridor Initiative could help to create 250 new companies and 15,000 jobs, as well as generate millions of dollars of capital investment from individuals and businesses. From an academic perspective, achieving prominence in the life sciences would enable the state's universities to attract top professors and researchers from around the world. Such prominence in research also would most likely bring increased opportunities for commercialization.

Transforming raw research into real money is not a quick, sure-fire proposition, however. It requires huge amounts of capital, skilled business management and the right timing to take new scientific discoveries to market. Long-held perceptions of the state of Michigan as a smokestack manufacturing area in the Rust Belt must be replaced with new images of the state as a research center and budding biotech mecca.

“One shortage we have in the state is businesspeople who understand start-ups, including the management and capital requirements needed to start a business,” says Jandernoa. “Also, we are not as involved in manufacturing start-up here in Michigan,



Zell-Lurie Institute managing director Tim Petersen (left) and director Tom Kinnear plan programs to further entrepreneurial education.

and that is an area we want to improve significantly.” The education, attraction and retention of top management talent are crucial for success, he adds.

Preparing Tomorrow’s Leaders

“If the life sciences becomes a dominant part of our economy, we will need large complex organizations with well-trained leaders to run them on a global as well as domestic basis,” says Brian Talbot, associate dean of executive education at the Business School. “We also will need bright, aggressive, well-trained entrepreneurs to help jumpstart and shape this emerging industry.” Eventually, the life sciences may require new organizational structures, such as the multinational teams now working on software development, and a new breed of managers who think “out of the box” and are able to leverage the new capability brought by technological change. “Michigan’s Business School

and its Executive Education Center will help to train these new leaders, entrepreneurs and managers,” says Talbot.

The Executive Education Center and the University of Michigan Medical Center jointly established the Center for Health Care Economics in 1998 to study healthcare delivery. Executive Education also offers a special Health Care Economics program for Medical Center and Medical School physicians and medical personnel. Talbot hopes to expand this ongoing business-medical collaboration. In addition, the Executive Education Center trains approximately 5,000 corporate managers each year, many from pharmaceutical and life-sciences companies, such as Pfizer, Pharmacia, Merck, Abbott and Johnson and Johnson.

The Zell-Lurie Institute is a natural epicenter for the Business School’s involvement in the University’s Life Sciences Initiative, particularly at the faculty and student level, according to Director Tom Kinnear.

“Any area where there is tremendous change is ripe for entrepreneurship, and that’s a natural link between the Zell-Lurie Institute and the Life Sciences Initiative,” says Managing Director Tim Petersen. “Many research activities will lead to the creation of businesses, and we are perfectly poised to assist faculty and students in creating them.”

The Institute seeks to provide students with educational opportunities in different facets of entrepreneurship, often as project consultants with entrepreneurs or start-up ventures. “Our students welcome opportunities to participate in exciting, high-potential industries,” explains Petersen. “The Life Sciences Initiative will provide new territory for them to work with, learn from, and assist new ventures being created in that area.”

After completing the first year of MBA coursework last spring, Ranjit Patnaik, a Marcel Gani intern, was assigned to HandyLab as a marketing consultant (see sidebar); and Michael Liu became a TechStart intern with CSCG. Liu and a University law student, Larry Lavanway, prepared part of a business plan for CSCG, which will enable the biotech company to approach venture capitalists for seed money. “I thought this was a good time to get exposure to the life-sciences industry,” says Liu, who plans to pursue a career in business development and strategy after graduation. Working side by side with CSCG’s four founding partners provided a realistic view of a start-up operation and inspiration for his own ideas.

“I was able to feel their enthusiasm and their entrepreneurial spirit,” he says. “It got me very excited.” Liu welcomed the opportunity to apply what he had learned in the Business School about strategic thinking, core

competencies, marketing and competitive analysis to a real-life situation. “Inventors often are a bit vague about the market and their own products, or have too broad a view,” he explains. “Business School students can come into this context and help narrow down the target customers and markets for these inventions.”

Pipeline to New Jobs

For **Patti Glaza, MBA '00**, a summer internship several years ago led to a permanent job with HealthMedia Inc., an Ann Arbor firm that delivers one-to-one system-based health-improvement programs, such as smoking cessation. The company was spun off from the University in 1998 and its founder, Victor Strecher, holds a joint faculty appointment with the School of Public Health and the Medical School.

In 1999 Glaza interned with Avalon Investments, an Ann Arbor-based venture capital company founded by **Rick Snyder, MBA '79**. Avalon was the primary venture capital investor in HealthMedia, and Glaza worked that summer with Strecher's early-stage biomedical company and other portfolio clients. She continued consulting for HealthMedia and after graduation was offered a marketing position with the company. Later she moved into business development. Glaza sees a direct correlation between the life sciences and the creation of new jobs. The Business School, she says, plays a big part in preparing its graduates for their role in the concept-to-company transformation process.

“It is fine to spin off technology, but unless businesspeople work with a scientist to do the commercialization, a company can have the best product in the world, but that product is not going

Developing a Lab on a Chip

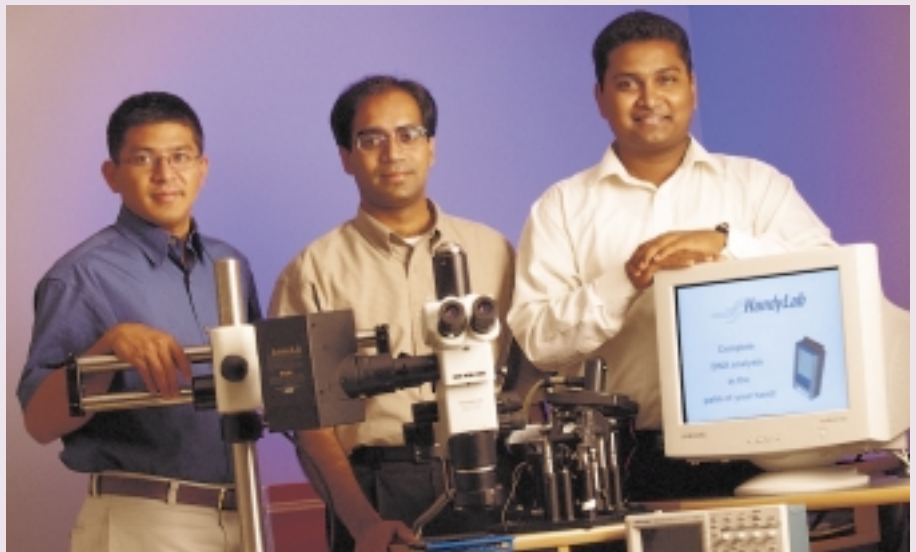
Healthcare providers soon may be able to test for viral and bacterial infections, genetic diseases and allergic reactions at a patient's bedside or in a clinic—and analyze the results almost immediately—using a highly sophisticated “lab on a chip.” This patent-protected microfluidic chip technology is being developed by a University of Michigan spinout company called HandyLab and represents a revolutionary advance in laboratory experimentation and DNA analysis.

“The benefit of this technology is that it is faster, more accurate and cheaper than conventional testing,” explains president and chief technical officer Kalyan (“Handy”) Handique, PhD '00, who became involved five years ago in what was then a University collaborative research project. David T. Burke, associate professor of human genetics at the Medical School, developed the original lab-on-a-chip concept. Handique began working on applications with company co-founder Sundaresh Brahmamandra, PhD '01, while both were doctoral students in the chemical engineering department.

“Personally, I like to get into anything that makes a huge impact,” says Handique. “I felt this was a good way.” The HandyLab microfluidic system analyzes small fluid samples from a patient and detects the presence of DNA from a potentially harmful virus, bacteria or defective gene within 30 minutes, without the need for special handling or processing. Its compact size will facilitate integration with popular handheld computers.

Since the company's inception in June 2000, HandyLab has raised approximately \$2.4 million in private capital, including \$120,000 from the Business School's Wolverine Venture Fund, which provides seed money to emerging growth companies. In fall 2000, a team of four students from a new business development class assisted HandyLab by conducting market research to find appropriate applications for its technology. This past summer, MBA1 Ranjit Patnaik, an intern from the Marcel Gani Internship Program at the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies, explored possible nonmedical applications.

“The University is a good place for doing multidisciplinary research work in high-impact areas,” says Handique. “And the Business School is definitely a valuable resource in identifying and refining the value proposition for any start-up company.”



HandyLab founders Kalyan “Handy” Handique (left) and Sundaresh Brahmamandra (center) are assisted by summer intern Ranjit Patnaik (right).

Finding a Cure for Osteoporosis

Michael W. Long, a professor of pediatrics and communicable diseases at the University of Michigan Medical School, is working to discover new cures for bone disease through Osteomics Inc., a biotechnology company he spun off from the University in March. His efforts offer hope to millions who suffer from extremely costly, progressively debilitating and sometimes fatal bone disorders and bone loss.

The aging of the world's population has led to an increase in the prevalence of bone-related problems, particularly osteoporosis, which affects 75 million people worldwide

and is considered second only to cardiovascular disease as a global health problem. Last year in the United States alone, osteoporosis was directly related to approximately 50,000 deaths. Another 18 million people worldwide suffer from bone cancer or other bone diseases, and 25 million experience bone fractures. Current therapies only arrest or delay bone loss, but do not directly stimulate an increase in bone mass.

Long has developed a patented method for growing human bone outside the body rapidly and reliably, and is using this new technology to develop therapies that stimulate bone formation. Ongoing support from the University of Michigan's Technology Management Office (TMO) and the Business School will help his start-up obtain financing, gain visibility and implement its business strategy.

"Initially, Osteomics will form partnerships with biopharmaceutical corporations that are involved in bone therapy," says Long. "For these firms, and its own therapeutic discovery program,

Osteomics' projected target patient population is in excess of 90 million individuals in the United States and 160 million worldwide."

Last spring, Osteomics took first place in the Great Lakes Venture Quest, a statewide business-plan competition sponsored in part by McKinsey & Co., TMO and the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies at the Business School. Afterward, Long was invited to present at a meeting of the School's Wolverine Venture Fund, which provides seed money for start-up companies, and Fund board member Mary Ann Alger agreed to act as a consultant for Osteomics. In June, Long stirred excitement among venture capitalists with his presentation at the 20th Annual Growth Capital Symposium. Over the summer, Yunyao Li, a University student intern with the TMO TechStart program, provided corporate research assistance to Osteomics.

"The life sciences have already started to take hold in Ann Arbor, and over the next three to five years we will see steady growth," says Long. "There is a need for business leaders in the biotechnology area, and the Business School can play an important role in training and retaining MBAs who can fill these positions."



Prof. Michael Long loads tissue-culture dishes containing human bone cells into an incubator.

*Existing courses and degree programs
will be accelerated, and new ones may be created,
as the life-sciences movement gains momentum.*

to leave the shelf," says Glaza. "Someone needs to do the marketing and to put the infrastructure in place."

Financing is often a major concern for life-sciences start-ups. Through the \$2.5 million Wolverine Venture Fund (WVF), Michigan students, faculty and alumni are able to secure venture capital funding for start-up companies, including those in the biotechnology industry. The WVF is funded by gifts from alumni and operates under the auspices of the Zell-Lurie Institute. To date, several biotech companies have received financing, including Intralase, which makes lasers for connective eye surgery, and HandyLab, which is developing a "lab on a chip." Two other companies, CSCG and Osteomics (see sidebar), are being considered. Students serve on a WVF advisory board, which evaluates business start-ups, determines how much to invest and structures new ventures.

In the coming year, the Zell-Lurie Institute plans several events that will tie it more closely to the Life Sciences Initiative:

- A winter entrepreneurship symposium, scheduled for February 8, 2002, will focus on current life-sciences research and efforts statewide, and feature keynote speakers and panelists from the life-sciences industry.
- A two-day course targeted at University faculty will provide business guidance for those interested in starting new companies in life sci-

ences, medical and other areas, based on their research.

- The annual BIOMED Expo, scheduled for October 25, 2001, at Eastern Michigan University, will include the Zell-Lurie Institute's "Start-up Showcase," which will provide emerging life-sciences businesses with an opportunity to meet and network with venture capitalists and others interested in new opportunities. The event is sponsored by Pfizer, the University of Michigan, the Michigan Economic Development Corporation, Wayne State University, Michigan State University and the Van Andel Institute.
- The 2001-2002 Great Lakes Venture Quest, which is co-hosted and, for the first time, managed by the Zell-Lurie Institute, will select winning business plans from among several hundred plans submitted by companies in a statewide competition. (Osteomics was a winner last spring.)

Making the Leap

Jeff Williams, MBA '92, made the leap from concept to company in 1997 when he founded Genomic Solutions Inc., an Ann Arbor-based firm that designs, produces and sells life-sciences instruments, software and chemicals to researchers in biopharmaceutical companies, academic institutions and government laboratories. The company went public in May 2000 and reported

\$19.1 million in revenue that year. From his position today as the president and CEO, Williams has a good perspective on what it takes to launch and operate a successful biotech company. Right now, he believes the state and the University are on the right track in promoting the development of a life-sciences industry in Michigan.

"We must take a venture capital approach by seeding numerous companies with high potential," says Williams, who is on the Zell-Lurie Institute's advisory board. "Some will fail, but some will succeed. We must be patient and fairly aggressive in investing in these companies."

Though he sees significant opportunities in genomics and the life sciences for entrepreneurs and development-stage companies, Williams predicts, "It is an industry that will take awhile to develop, and it will be highly competitive." The strong talent pool at the state's research institutions, its established pharmaceutical industry and the growing base of venture capitalists should help support future growth. "We are in the midst of the early stages of a revolution in the life sciences," says Williams. "People are just now starting to understand the potential impact it will have on their lives and on society in the next 15 to 20 years."

For up-to-date information on the University's Life Sciences Initiative, visit www.lifesciences.umich.edu.

A BOLD PLAN

By Claudia Capos

As the 21st century kicked into high gear, the Boeing Company and its raw-material provider, Alcoa Inc., embarked on a bold plan. The two production partners wanted to improve the flow through their entire international supply chain for the in-spar wing-rib kit, one of the major structural components used in the Boeing 737 Next-Generation aircraft.

Company officials targeted a hefty 50 percent reduction in total flow time, which potentially would save millions of dollars in system-wide costs. Their ultimate goal was to halve the one-year lead-time for airplane production, so Boeing could fill customer orders more quickly and meet the growing demand for its hottest-selling commercial aircraft. In addition, Boeing and Alcoa sought to bring greater efficiencies to the complex information flow between their two companies and extended supply chain, including Japan's Kawasaki Heavy Industries (KHI), the contracted integrator.

And that was just for starters. If the supply-chain reorganization for the wing-rib kit proved successful, the two companies planned to deploy the pilot project on a broader scale to their other supply chains. It was a pretty tall order.

To the delight of corporate officials at both companies, the six-person project team they engaged for the job met, and actually surpassed, those sky-high goals. Surprisingly, the team was not dispatched from one of the nation's leading manufacturing consulting firms. Rather, its members were student summer interns from the University of Michigan's Tauber Manufacturing Institute (TMI), a partnership created in 1993 between industry and the University to provide new kinds of manufacturing leaders capable of guiding companies through globalization, technological innovation and other diverse business changes. Those next-generation leaders would require exceptional academic backgrounds, extensive professional experience and, most important, the ability to integrate business and engineering perspectives in their decision-making.

Today TMI seeks to meet this ever-increasing industry demand for superior manufacturing professionals by attracting talented graduate and undergraduate students with business and/or engineering backgrounds, and providing them with the skills and hands-on experience they will need to pursue successful manufacturing-related careers.

Alcoa and Boeing ask Tauber Manufacturing Institute students to tackle a challenging pilot project and get sky-high results.



TMI team members, faculty advisers and company officials gather inside Boeing's 737 final assembly plant in Renton, Washington. On ladder (from left) are: John Rodgers (Alcoa); team members Jotpreet Chahal, Tze Yann Tan and Eugene Lambert; John Collins (Alcoa); and team member Dave Ostreicher.

PHOTOS BY MICHAEL J. SCHIMPF

Working together through the Institute, the Business School and the College of Engineering collaborate in offering customized, cross-disciplinary coursework with a special focus on research and partnering with industry sponsors. Named in honor of benefactor **Joel D. Tauber, BBA '56, JD '59, MBA '63**, the Institute's annual enrollment generally fluctuates between 120 and 130 students. TMI itself is not a degree-granting institution, but it provides a manufacturing overlay, combining business and engineering, to five graduate and undergraduate degree programs.

The cornerstone of the Institute's educational enhancement is its 14-week paid summer internship program. Participation in multidisciplinary team projects, which address high-level strategic problems in industry, enables students to leverage the analytical, technical and leadership skills they have acquired in classes at the Business School and Engineering College, TMI-sponsored courses and a professional leadership-development program called TMI Leadership Advantage. In addition, virtually all graduate students have had outside work experience in business or engineering prior to enrolling in the Institute.

Both Alcoa and Boeing have sponsored TMI teams individually in the past, but never before in a collaborative effort. Thus, the Alcoa-Boeing joint project marks the first time a TMI student team mapped and analyzed a complete international supply chain for the two companies, stretching across 17 first-tier and sub-tier suppliers in three countries: the United States, Japan and Korea.

"We're very pleased with the impact and benefits (of the project) for Boeing, Alcoa and our extended supply chain," reports Ross R. Bogue, vice president for manufacturing for Boeing Commercial Airplanes and a member of TMI's 31-person Industrial Advisory Board. He says his firm provides continuing financial and project support for TMI for several key reasons.

"First, TMI teams provide us with another set of eyes to look at our production system and extended enterprise, and to gauge its performance and improvement opportunities," Bogue explains. "Second, we have a chance to work with high-caliber young individuals whom we may want to attract to the Boeing Company. We find that most TMI students have had some work experience, so they bring an integrated professional portfolio combined with academic learning. This gives them the ability to do critical thinking and results-based analysis.

"Third," continues Bogue, "we are able to partner with our suppliers and a leading academic institution where we all get to learn." Faculty members also benefit from TMI projects, which afford them great exposure to high-level business and technical problems, in addition to access to company management.

The Alcoa-Boeing project was one of 19 TMI team projects conducted over the summer. Other student teams worked on equally challenging manufacturing juggernauts at leading companies, including Steelcase, Ford Motor Company, Kodak, Dell Computer Corporation and Solectron Corporation. TMI receives corporate donations from approximately 20 companies, known as "Associates." Since 1994, more than 60 manufacturing companies have sponsored internship projects.



Standing beneath a Boeing aircraft wing (front row from left) are: Michael Foster (Boeing); team members Daniel VanderWoude, Tze Yann Tan, Andrew Sanusi and Jotpreet Chahal; and John Rodgers (Alcoa). On the ladder are team members Eugene Lambert (left) and Dave Ostreicher.

Each September, the student teams present their project results before an industry panel of judges at TMI's annual *Spotlight!* scholarship competition. Winners receive thousands of dollars in scholarships and an opportunity to showcase their accomplishments to recruiters and prospective employers.

"The Alcoa-Boeing project really exemplifies what is going on today in business," explains Ken Kohrs, the industry co-director of TMI and an adjunct professor in both the Business School and the College of Engineering. "Companies must learn to work cooperatively with each other because their design and manufacturing processes have become strategically linked. With new technology and the globalization of business, manufacturers must leverage cross-disciplinary teamwork in order to succeed. Being able to integrate business and engineering as you make bottom-line decisions is critical."

Approximately 22 colleges and universities nationwide have similar cross-disciplinary programs related to manufacturing. However, Michigan's is regarded as one of the best and was cited in *The Wall Street Journal's* first-ever business-school MBA program ranking (see page 3), according to Kohrs, who recently retired as a corporate vice president after 37 years with Ford Motor Company. TMI offers supplemental recruiting opportunities, and virtually every student is placed in industry after graduation. "The key is we provide students with training in team dynamics and leadership, recommendations for cross-disciplinary coursework in engineering and business and the real-life experience of working together as a team on a project," Kohrs explains.

TMI's leadership motto, "Perform as an individual, succeed as a team," guided the Alcoa-Boeing team in its effort to conduct a supply-chain analysis on the production of wing-rib assemblies. The students had three University faculty advisers, Sudheer Gupta from the Business School and William Schultz and Pete Washbaugh from the Engineering College, and a TMI co-director, Yazuv Bozer, also of Engineering. On the industry side, John Rodgers, process improvement specialist at Alcoa Davenport Works, and Michael R. Foster, production control operations manager for Boeing, served as company liaisons.

"We asked the students to look for waste in the build process, such as overproduction, excessive travel time for materials



Boeing vice president Ross Bogue (left) and John Collins, president of Alcoa Mill Products.

and large-patch production," explains Foster. "We also asked them to identify quality issues, to put measures in place to eliminate defects and to simplify information systems for communicating orders, rate changes and shipment dates."

The team had learned lean-manufacturing concepts from their Michigan studies, but received supplementary instruction in the Alcoa Production System, a "make to use" or "pull" system in which manufacturers build products at the same rate their customers demand them. The students also sat down with senior executives to discuss the project's strategic goals and broader implications. Then they began "walking the process" from the end-customer back, traveling domestically and overseas through 17 factories to map and redesign the wing-rib supply chain.

“No one had ever taken a look at the entire wing-rib supply chain, and we discovered a lot of things Boeing didn’t realize were happening,” says Dan VanderWoude, one of two MBAs and four engineering students on the team. “We mapped the current ‘push’ system and then redesigned it as a ‘pull’ system, using lean-manufacturing techniques.”

In their final report to Alcoa and Boeing executive vice presidents on August 10 in Renton, Washington, the team showed their redesign achieved a flow-time reduction from 327 to 141 days. They also improved information flow as well as product flow. The streamlining potentially will reduce excessive inventory in the system and lead to millions of dollars in cost savings. The two sponsors are strongly committed to implementation and will begin instituting changes first in the Alcoa Davenport Works in Iowa, according to Rodgers.

“It was an awesome experience for all of us,” says VanderWoude, 32, who spent eight years as a Navy submarine officer before enrolling in TMI and hopes one day to run a large industrial company. “TMI really gives you a big-picture perspective, and combining my MBA degree with engineering exposure and teamwork through TMI will give me an advantage over other MBAs (entering the job market).” The opportunity

to work with a leading aerospace company on a global basis also puts VanderWoude several notches above his competitors.

Kristina Wheaton, CHE '00, found her TMI summer project at Steelcase equally challenging and rewarding, but for slightly different reasons. With a chemical engineering background, she had never looked at manufacturing issues from a business angle before.

“MBAs and engineers have different ways of approaching problems,” says the 22-year-old, who is working on her master’s degree in manufacturing engineering and applied to TMI because of its prestige, strong faculty support and networking opportunities. “The real-world experience the business students brought to our summer project helped to put the problem into a new perspective for me.”

Wheaton’s team was assigned to Steelcase’s desk manufacturing plant in Grand Rapids, Michigan. The scheduling priorities of the plant’s three main production centers, basic, paint and trim, were misaligned, resulting in increased operating costs and inventory for the entire plant. Furthermore, company leaders had limited financial “cause-effect” information to guide their operational decisions. The Steelcase TMI team was asked to develop a cost model to assist Steelcase



TMI team makes its final presentation to Alcoa and Boeing top management.



Gathering data at Steelcase Inc. are TMI students (from left): Kristina Wheaton, Tim Slikkers and Edwin Jones. Far right: plant engineering manager Preston Kallemeyn.

management in making paint process decisions to minimize the entire plant's operating cost.

The team began by meeting with production personnel, gathering financial information and generating key ideas. Later they built a computer model of their equations and theories, which permitted them to output all the costs for the entire plant for different operating decisions made in the paint shop. The variables they identified included inventory storage space, material utilization, production efficiency and rework or refinishing.

In their final recommendations, the team applied lean-manufacturing principles they had learned in class and advised Steelcase to run its lowest batch size and reorder its hanging component parts to facilitate immediate assembly.

The students also made suggestions to reduce the rework or rework of products that have been damaged or manufactured improperly.

"We think some of the best and brightest future operations leaders will come out of TMI, so our CEO, Jim Hackett, BA '77, made a decision seven years ago to establish a relationship," says Rob Burch, Steelcase's vice president of global order fulfillment and president of TMI's Industry Advisory Board. To date, Steelcase has sponsored five TMI projects, all quite impressive, according to Burch, and the company tries to hire from the program each year.

"TMI students are more realistic, objective and sincere about accomplishing something of value, rather than just getting rich," he says. "American industry desperately needs that."

DETROIT

The UMBS Club of Detroit has introduced a series of workshops focused on developing cross-functional skills for business professionals. On May 17 in Dearborn, Professor Kay Erdman conducted the first workshop, which emphasized the importance of good writing skills for managers. On July 18, the second workshop was held at the Business School in Ann Arbor and focused on negotiation strategies and skills. The workshop was taught by Professors George Seidel and Joel Kahn of the Business School's Executive Education program and included an interactive negotiation exercise with a debriefing and a discussion on how to avoid decision traps in the negotiating process.

Club President **Steve Renaldi, MBA '95**, notes that two additional workshops are under development for the fall and winter. Also planned is the club's annual Automotive Panel, "Moving Michigan to a Top 5 Manufacturing Destination—A Fuel Cell Example," which will feature Doug Rothwell, President and CEO of the Michigan Economic Development Corporation. For a schedule of upcoming events sponsored by the UMBS Club of Detroit, visit their Web site at www.umbsc-detroit.org.

SPAIN

Alumni in Madrid were among the first to welcome Dean Robert Dolan to the UMBS community after his appointment was announced in May. Dean Dolan, who taught a Harvard Business School executive education course in Spain this summer, graciously accepted a dinner invitation from **Jeff Hassman, MBA '99**, and other alumni eager to share their perspectives on the UMBS presence in Europe. Inspired by this impromptu gathering, Jeff scheduled a meeting on September 8 to discuss formation of an official alumni group in Spain. He also organized alumni support for the Business School's recruiting efforts at the MBA World Tour in Madrid on October 9. For more information about alumni activities in Spain, contact Jeff Hassman at jhassman@hotmail.com.

**For a calendar
of upcoming alumni
events, visit
[www.bus.umich.edu/
alumni/a-events.html](http://www.bus.umich.edu/alumni/a-events.html)**



LOS ANGELES

Pictured above are alumni, current students and new admits, along with children, spouses and significant others, who gathered for an early summer barbecue at the L.A. home of **Paul Habibi, MBA '03**. Among the attendees were UMBS Club of Los Angeles board members **Harry McElroy, MBA '78**, who brought his son and twin daughters, and **Amy Sheren, MBA '98**. (Amy, an enthusiastic and tireless supporter of UMBS events and activities in L.A., has recently moved to Chicago—a windfall for the Windy City!)

AUSTIN

Freshly transplanted to Austin from New York, **Christine Parlamis McAllister, MBA '99**, went right to work in organizing activities for UMBS alumni in her new hometown. In March, the former president of the UMBS Club of New York organized a well-attended gathering of UMBS alumni and spouses at North by Northwest in Austin, followed in June by an Alumni Bowling Night at Westgate Lanes. To keep the momentum going, Chris is looking for volunteers. Alums interested in helping to organize UMBS activities and events in Austin can e-mail her at parlamis@hotmail.com.

SEATTLE

The UMBS Club of Seattle joined forces with Kellogg alumni on June 23 to sponsor the first annual Michigan-Kellogg alumni picnic at Luther Burbank Regional Park on Mercer Island.



WASHINGTON, DC

The America Online campus in Dulles, VA, was the location for a presentation on interactivity by Donn Davis, JD '88, President of Interactive Properties at AOL. The June 14 event was sponsored by the UMBS Society of Washington, DC, and brought together Michigan alumni from both sides of Tappan Street. Pictured here are event organizer (left) **John Kjos, MBA '00**, and Donn Davis.

ALUMNI ACTIVITIES

BRAZIL

The UMBS Club of Brazil celebrated its formal inauguration in May with a gathering of more than 100 alumni, faculty, students and guests at the Restaurante Infinito in the World Trade Center in São Paulo. Ann Arbor attendees included Professor Andy Andrews and Ann LaCivita, Director of Alumni Relations. Former Dean **B. Joseph White, PhD '75**, recorded a video greeting that was shown at the event. **Eduardo Pamplona, MBA '97**, the club's founder, was the evening's master of ceremonies.

The newly elected Board of Directors was also announced: President, **Thomas Case, MBA '74**; VP of School Affairs, **Daniel Pagano, MBA '00**; Social Chair, **Renato Monteiro, MBA '99**; VP of Marketing, **Humberto Menusier, MBA '00**; VP of Operations, **Paula Pagano, MBA '00**; and Treasurer, **Aymar Almeida, MBA '01**.

The club has been quick to build on the success of the launch, introducing a series of luncheon meetings with prominent guest speakers. The first of these meetings was held on June 18, and featured Arthur Ramos of A. T. Kearney. Mr. Ramos discussed Brazil's current energy crisis, including the root causes, the potential short- and long-term economic consequences and possible solutions. The club's August meeting featured Robert Wong of Korn Ferry South America, who discussed career management issues.

Daniel Pagano, VP of School Affairs, notes, "We are all very enthusiastic about the momentum we have gained and are sustaining for our alumni club in Brazil. We have an excellent opportunity to build a strong and active club and we are putting our efforts on that." Future activities will include gatherings to welcome visiting faculty members from the Global MBA and Executive Education programs.

Pictured at the club launch in May are, left to right, **Paula Pagano, MBA '00**, **Daniel Pagano, MBA '00**, **Thomas Case, MBA '74**, **Aymar Almeida, MBA '01**, **Carolina Sister, MBA '00**, and Ann LaCivita, Director of Alumni Relations. Carolina, a graduate of the Global MBA program's first class, was instrumental in organizing the event.



TWIN CITIES

Twin Cities alumni turned out in force for a happy hour at Champs in Minneapolis last spring. Among the attendees were **Joel Schlachtenhaufen, MBA '97**, president of the UMBS Twin Cities Alumni Club, **Steve Daub, MBA '90**, **Scott Smith, BBA '88**, **Kurt Cumming, MBA '98**, **Maurice Herrera, MBA '97**, **Jim O'Donnell, MBA '80**, **Alison Miller, BBA '00**, **Tommy Hillman, MBA '00**, **Bill Shadid, MBA '96**, and **Matjaz Korosec, MBA '99**.

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- A BBA '95 recently sold several of his B&W prints to a gallery in NYC?
- An MBA '91 cross-country skied 21 miles in a day to see the view of Half Dome from Glacier Point in Yosemite National Park?
- A BBA '81 began Genesis Personal Development Center in 1989, which provides personal, professional, and organizational development training?

To find out the identities of these alumni and post your own update, visit your class website today at

mtrack.bus.umich.edu/Classsites

All class websites are located in M-Track, which requires a username and password to access. If you need a username or password, contact Alumni Relations at 734-763-5775 or alumni@umich.edu. Currently, not all classes have class websites. If you would like to start a website for your class, contact Alumni Relations at 734-763-5775 or alumni@umich.edu.

ALUMNI ACTIVITIES

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NEW YORK

Under the leadership of President **Cecil Shepherd, MBA '00**, the UMBS Club of New York experienced a summer of unprecedented activity, ranging from opera to sports. On July 21, nearly 50 alumni, interns and guests attended Elton John and Tim Rice's *Aida* at the Palace Theater. Among the attendees were **Rohit Bery, MBA '98**, **Scott Hunter, MBA '97**, **Gayle Jennings, MBA '98**, **Susan Johnson, MBA '94**, **Mike Lemberg, MBA '99**, **Keith Mitchell, MBA '96**, **Cecil Shepherd, MBA '00**, **Nadia Smith, MBA '95**, **Stanislav Zarubin, MBA '01**, **Tongwen Zhou, MBA '01**, and **Alex Zilberman, MBA '00**.

On June 3, alumni and guests took in a game at Yankee Stadium. Pictured are: (above left, clockwise from left) **Simone Pollard, MBA '00**, Club President **Cecil Shepherd, MBA '00**, **Murali Sankar, MBA '00**, and **James Pollard, SOS**; and (above right) **Carl Hunermund, MBA '80**, and **Debbie Sobczak, MAcc '00**.

SAN FRANCISCO

The UMBS-San Francisco Bay Area Club sponsored a wide array of social activities and professional events this summer. Social activities included a tour and tasting at the Anchor Brewing Company on June 15, a Cable Car Bar Hop on July 14, the annual SFBAC picnic for alumni, interns and new admits on July 22, and a Giants baseball game at PacBell Park on August 5. Professional events included two real estate presentations focused on the Silicon Valley and San Francisco housing markets.

Mixing both business and pleasure, the new SFBAC Alumni Supper Club brought together younger and more distinguished alumni at a series of dinners in the Bay Area in May and June. Alumni hosts included **Allan A. Hitchcock, MBA '60**, Senior Vice President of Investments at Prudential Securities; **William E. Murray Jr., MBA '74**, Senior Managing Scientist at Exponent; **Jerry Nightingale, MBA '70**, Presi-

dent of Nightingale Financial Advisory; and **Bob Cell, MBA '93**, Vice President of Corporate Development at Blue Martini. Supper Club hosts in September included **St. Clair Cameron, MBA '72**, Chairman of the Finance Committee of the Board of Directors at Ross Controls, and **Scott Gibson, MBA '86**, Chief Financial Officer, SOMA Networks.

Autumn events include a members-only evening with Professor C. K. Prahalad on October 23 and an Alumni Career Management Workshop for all UMBS alumni on December 1. The half-day workshop will feature local recruiters, career coaches and Al Cotrone, Director of Career Services at the Business School. The SFBAC also has designated the Bayside Bar & Grill at Union and Octavia in San Francisco as the club's official gathering place to watch Michigan football this fall. Go Blue! For a list of club events, visit the SFBAC Web site at http://www.bus.umich.edu/alumni/acc_sanfr.html.

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Alumni Clubs and Contacts

For more information about alumni activities in your area, call or email your regional contact or club leader, or contact Alumni Relations at 734.763.5775 or alumni@umich.edu.

UMBS Regional Clubs & Contacts

EAST

***Boston** - Greg Lipper, MBA '97
603.791.7337, Greg.Lipper@fmr.com
Hartford - Laurie Leonard, MBA '97
860.665.7437, lauriel50@hotmail.com
New Jersey - Jeff Norman, BBA '89
201.445.1930, jcnorman@umich.edu
***New York** - Cecil Shepherd, MBA '00
212.526.7760, cashphe@umich.edu
***Philadelphia** - Michael Ferrante, MBA '98
908.423.4024, Michael_Ferrante@merck.com
***Washington, DC** - Judy Spector, MBA '79
301.309.2529, globusinc@msn.com

MIDWEST

***Chicago** - Norman Sigler, MBA '92
312.266.2215, nsigler@hotmail.com
Cincinnati - Silvia Cheskes, MBA '99
513.983.1262, s_cheskes@yahoo.com
Cleveland - Jonathan Histed, MBA '00
216.902.4263, jhisted@umich.edu
***Detroit** - Steven Renaldi, MBA '95
734.737.9515, srenaldi@300capital.com
Indianapolis - Mike Shingler, MBA '90
317.276.7139, shingler_michael@lilly.com
Kansas City - John Jenks, BBA '53
913.381.9651, jenks69@earthlink.net
***Minneapolis/St. Paul** - Joel Schlachtenhaufen, MBA '97
612.207.5149, Schlachty@aol.com

SOUTH

***Atlanta** - Ben Roden, MBA '97
678.419.6462, ben.roden@us.pwcglobal.com
Austin - Christine Parlamis McAllister, MBA '99, 512.401.8028,
parlamis@hotmail.com
Dallas/Fort Worth - Tom Dolan, MBA '94
817.967.9209, Thomas_Dolan@amrcorp.com
Houston - Don Konipol, MBA '75
832.577.8838, donthkonipol@yahoo.com
Louisville, KY - Dan Skeeters, MBA '98
502.394.2502, des@harrykmoore.com
North Carolina - Karen Mishra, MBA '88
336.794.0806, karen.mishra@mba.wfu.edu

San Juan, PR - Manuel Calderon, MBA '95
787.772.7035, manuel.calderon@ey.com
***South Florida** - David Treece, MBA '88
305.751.8855, dvdtreece@aol.com
Tampa/St. Petersburg - David Everett, BBA '93, 813.301.6805,
dexplore97@hotmail.com

WEST (North and South)

Denver - Jane Okun, MBA '89
303.316.8221, janelo@qwest.net
***Los Angeles** - Harry McElroy, MBA '78
213.614.8838, hmcelroy@performigence.com
San Diego - Drew Hoffman, MBA '00
858.795.2448, drewhoff@umich.edu
***San Francisco Bay Area** - Chuck Hornbrook, MBA '98, 415.821.0607,
clhornbrook@earthlink.net
***Seattle** - Melissa Kirmayer, MBA '00
206.284.0803, kirm@umich.edu

EUROPE

Austria - Joerg Windbichler, MBA '96
43.1.967.2727, joerg@windbichler.com
Central and Eastern Europe - Gregor Strazar, MBA '98, 386.31.350.633,
gregor.strazar@sava-re.si
England - Per Hong, MBA '97
44.207.289.3680, Per_Hong@atkearney.com
France - Pierre Kergall, MBA '00
33.1.44.78.64.20, pkergall@trivium.fr
Germany - Andreas Kirschkamp, 49.171.3659892, andreas@umich.edu
Greece - Sylvia Salibi, MBA '84
301.8015403, sylvias@mac.com
Italy - Riccardo Cesarei, MBA '98
39.348.4011980, rcesarei@umich.edu
Norway - Sverre Lorentzen, MBA '79
47.2.283.2622, lorentzen@absnet.no
Spain - Jeff Hassman, MBA '99
34.91.631.7029, jhassman@hotmail.com
***Switzerland** - Beat Geissler, MBA '95
41.1.267.6969, beat.geissler@ezi.net
Turkey - Andy Hove, MBA '98
90.312.484.0077, andy_hove@udlp.com

AFRICA and MIDDLE EAST

Israel - Murray Grant, BBA '49
972.9.885.1136, murray@netvision.net.il
West Africa (Ivory Coast) - Bernard Kouassi, Ph.D. '83, 225.374.035
sadaoc.se@fasonet.bf

AMERICAS (EXCEPT U.S.)

***Argentina** - Rogelio Nores, MBA '89
54.114.4309.1250, rnores@metrogas.com.ar
***Brazil** - Thomas Case, Ph.D. '74
thomasca@catho.com.br
Mexico - Gerardo Ruiz, MBA '99
52.5.242.8809, Gerardo_Ruiz@hines.com
Peru - Beatriz Meiggs, MBA '99
58.212.285.5211, bmeiggs@yahoo.com
Venezuela - Pedro Blanco, MBA '99
58.212.201.0725, pedro.blanco@enron.com

ASIA

Beijing - Fan Zhang, MBA '93
86.10.64634261, fanzhang@public3.bta.net.cn
***Hong Kong** - Richard Chow, MBA '97
852.9178.3311, richchow@hotmail.com
***Japan** - Takeo Suzuki, MBA '76
81.54.202.2222, tacsuzu@chabashira.co.jp
Mumbai (Bombay) - Ashish Khemka, BBA '99, 91.22.284.3517,
khemka_ashish@hotmail.com
New Delhi - Atul Bahadur, MBA '87
91.11.462.7505, Avcotpl@gasdl01.vsnl.net.in
Singapore - Chris Koh, Ph.D. '95
65.556.0135, c_koh123@yahoo.com
***South Korea** - Sang-Wook Ahn, MBA '94
swahn67@korea.com
Taiwan - Chin-Feng Sun, MBA '95
886.939.263181, cfsun@ms13.hinet.net
Thailand - Vichien Kulvaraporn, MBA '97
66.2.642.6060, vichien@ssup.co.th
Vietnam - Myhao Nguyen, MBA '97
84.8.856.9197, Myhao_Nguyen@cargill.com

UMBS Affinity Clubs

Black Alumni Association

(UMBS-BAA) - Harry McElroy, MBA '78
213.614.8838,
hmcelroy@performigence.com
Business W.O.M.A.N. (Washington, DC)
Judy Spector, MBA '79
301.309.2529, globusinc@msn.com

Become a UMBS alumni contact!

Be a contact for the Business School and fellow alumni in your city, country, or region. To volunteer, contact Alumni Relations at alumni@umich.edu.

Alumni Relations

Creating Lifetime UMBS Community

www.bus.umich.edu/alumni

mtrack.bus.umich.edu

Alumni Services

Let the Global Blue Network work for you!

As a graduate of the University of Michigan Business School, you belong to a powerful international network of more than 32,000 influential businessmen and -women. Your fellow alumni are, collectively, your best resource for information about professional opportunities and changing economic trends. They also compose a select pool of potential employees in a tight hiring market.

How do you tap this vital resource?

Get connected to M-Track!

- Update your contact information directly.
- Search the Alumni Directory—a valuable networking resource—by name, geographic region, employer, etc.
- Visit Alumni Class Websites.
- View Alumni Club Contacts.
- Search Alumni Job Postings.
- Post Job Openings for UMBS alumni and students.
- Access Kresge Library's online resources.
- And much more!

How to get an M-Track User ID and password:

Contact Alumni Relations at (734) 763-5775 or alumni@umich.edu. Please provide your name, your name while at UMBS (if different), your degree and year of graduation. All M-Track requests will be answered within 24 hours.

Update your contact information!

- Make sure fellow alumni—both old friends and new professional contacts—can find you in the password-protected Alumni Directory.
- Get on the mailing list for MichiganMail, our popular new electronic newsletter for UMBS alumni.
- Receive occasional correspondence from Alumni Relations or alumni leaders in your area about activities or events of special interest.

How to update your contact information:

Log on to M-Track at <http://mtrack.bus.umich.edu>. Click on Alumni Menu, and type in your User ID and password. At your Alumni Home Page, click on Update Your Personal Information, make changes as needed, and click Submit Changes at the bottom of the page. Your new contact information will be reflected immediately in the UMBS Alumni Directory.

Alumni Relations
Phone: 734.763.5775
Fax: 734.615.6103
Email: alumni@umich.edu

Ann LaCivita, Director
ADL@umich.edu

Kathie East, Asst. Director
& Alumni Clubs Manager
eastk@umich.edu

Julie Antis,
Reunion Coordinator
antisj@umich.edu

Melanie Rossiter-McIntyre,
Online Services Coordinator
melrm@umich.edu

UMBS Marketplace

Alumni Relations is pleased to present the UMBS Marketplace, a source for distinctive gifts, clothing and business items from the University of Michigan Business School. Shop online at www.bus.umich.edu/alumni/UMBSmarket/.



University
of Michigan
Business
School

1950

Norbert Guindon, BBA '50

is the retired regional manager for the American General Group. He and wife, Gloria, reside in Palantine, Ill., and have three children and four grandchildren.

1959

Robert Cope, BBA '59

has published his fourth management book in the Russian language with a Russian cultural exchange student he met at the University. You can reach him at robertcope@att.net.

1961

Paul A. Campbell, BBA '61

is now retired and living in Fort Wayne, Ind. He notes, "As my interests and maturity changed during my career, my Michigan education prepared me for different challenges—technician, executive, consultant, university instructor and department chair. I will continue to look for opportunities to advise and help students and young professionals."

1963

William Huizingh, PhD '63

reports he has temporarily come out of retirement to serve as interim director of the Desert Botanical Garden in Phoenix.

1967



David A. Redstone, MBA '67

was elected to the board of directors for the National Council of Architectural Registration Board. David is president and CEO of Redstone Architects in Southfield, Mich., where he has been since 1967. He is also the current chair of the Michigan Board of Architects.

Michael R. Schiavoni, MBA '67

Last year, after 30 years in human resources management with GE and then Becton Dickinson, Mike established a leadership effectiveness consulting business focused on executive coaching. He is very excited to be able to leverage his experience and training in his favorite area of leadership development. He also finds it stimulating to face the challenges

and thrills of being an entrepreneur. Mike has maintained his connection to the Michigan Business School by participating in the Adopt A School Program and MBA recruiting initiatives. You can reach him at schiavoni@worldnet.att.net.

1969

Patrick S. Feely, MBA '69

"After 24 years in the toy and game industry, I was appointed chairman of the board of the Toy Industry Association," reports Pat gamely. He is also president and CEO of Radica Games Limited, a NASDAQ-traded electronic game company where he has worked since 1997. He lives in Pasadena (Rose Bowl fans take note), and can be reached at PatSFeely@aol.com.

1972

Douglas R. Taeckens, BBA '72, MBA '85

president and COO of Helmac Products Corp. in Alpharetta, Ga., was elected to the board of directors of the International Housewares Association, the voice of the housewares industry, which accounted for \$247 billion retail worldwide in 1999. Doug has been with Helmac since 1972.

1976

Linda Binek, BBA '76

is an independent consultant specializing in international tax and defense cost accounting. She can be reached at MDLB@earthlink.net.

1980

James W. Kerber, MBA '80

Jim and Pat, his lovely wife of 32 years, recently moved to the island of Kauai, Hawaii, and are enjoying a two-year (minimum) sabbatical, or as Jim puts it...self-unemployed. You can learn all about their experiences in the tropical paradise at kerbers@hawaiian.net.

1985

Patrick Fishman, BBA '85

has been named a partner in the (now) law firm of Hickey, Cianciolo & Fishman PC, with offices in Detroit and Grand Rapids.

Kristopher M. Kauss, MBA '85

is regional manager of Sun Chemical Corporation in Kansas City, Mo., having just moved there from Cleveland. You can reach him at breaksix@aol.com.

1986

Andrew D. Perlman, BBA '86

is VP of Revenue Management for Extended Stay America. "My wife and I have moved to Spartanburg, S.C., where I'm still working on my golf game and starting to realize I'm

just an everyday hack. Still planning a second around-the-world trip, hopefully in the next 20 years," says Andrew. He asks classmates to contact him at ADPESA@aol.com.

1991

Beth (Finn) Madden, MBA '91

is currently the director of business development and franchising for Madden Industrial Craftsmen Inc., a temporary staffing service specializing in providing skilled craftsmen to construction and manufacturing clients located throughout the northwest. "We recently were recognized as the top staffing agency and one of Oregon's Top 100 Companies to Work For by *Oregon Business* magazine," says Beth. "We are looking for franchisees, preferably in the northwest, if anyone is interested in launching their own temporary service office." You can reach Beth at bfinn@nas.edu.

Uzair Nathani, MBA '91

is managing director of American Airlines at the Dallas-Fort Worth Airport. He notes that he married Ramona Helble in June 1998, and they had a daughter, Alisha Marie, in December 2000. You can contact him at nathani@airmail.net.

David Pinkley, BBA '91

is currently enjoying life as an executive search consultant at Global Sage in Hong Kong. Global Sage is a boutique search firm specializing in the investment banking industry. David first went to Chicago as an auditor for Ernst & Young, then to Bank of America and in 1996 moved to Raleigh, N.C., to begin his career as a search consultant. He moved to Hong Kong this past January.

Peter Sinanian, MBA '91

is an account executive with Covad Communications Group in Media, Pa. He was married in 1997, had a son in 1999 and is expecting another child this October. To keep updated, contact Peter at pksin@att.net.

1993



Paul R. Kitch, MBA '93

has been promoted to shareholder in the Intellectual Property Law Practice Group of Jenkens & Gilchrist in Chicago.

1994

Robert Willoughby, MBA '94

an analyst at Credit Suisse First Boston, New York, won the top stock-picker spot by focusing on service providers to the healthcare industry. He also won a coveted spot on the 2001 Home-Run Hitter's Team. "I first look for something that will screen well based on return on invested capital, earnings growth and managing its balance sheet. Then I talk to the companies, their customers and their competitors to determine whether those high returns can be sustained," he says about his winning strategy.

1995

Jonathan Shar, MBA '95

is consumer marketing director, *Fortune* magazine for AOL Time Warner in New York City. Married to **Marla (Simmer) Shar, BBA '95**, they had their first child, Noah Samuel (BBA class of 2023) on April 8. Marla is the circulation director for the Bloomingdale's by Mail catalog. You can reach them at jonathan_shar@yahoo.com.

Marybeth (Wynyarden) Zoller, BBA '95

is manager of the North Highland Company in Novi, Mich., a small consulting firm. She was married in summer 2000 to **Steve Zoller, BBA '94**, and they live in Troy. You can reach her at mzoller@northhighland.com.

1996

Laura Garcia, MBA '96

"Since business school, I've been at Microsoft and have been challenged, worked with great people and had fun," says Laura. "Currently I'm working on the Windows XP launch team focusing on advertising, promotions and vital marketing. I am thankful to have a great group of UMBS friends in Seattle. Please let me know if you come out to the Pacific Northwest." You can do that by e-mailing Laura at Laura_A_Garcia@hotmail.com.

Mona (Gohla) Teffeteller, MBA '96

"My husband, Robert, and I had a baby daughter, Anna Grace, on New Year's Eve 2000," boasts Mona. "I am now working in marketing at Beringer Wine Estates in Napa, California. We enjoy living in northern California near beautiful vineyards."

1997

Candace TenBrink, MBA '97

was recently awarded the number-two stock-picking spot as well as top honors for earnings-estimate accuracy in semiconductor-equipment manufacturing. An analyst at William Blair & Co. in Chicago, she has been covering the industry for three years. An avid

runner and traveler, she often travels to Asia and both coasts of the U.S. to visit companies that buy the chip-making equipment.

1999

Masahide Ohira, MBA '99

reports that he and his wife, Ayano, had a new son, Masaki, on May 31. Masahide is still working with the Boston Consulting Group in Tokyo, and your congratulations can be sent to him at ohira.masahide@bcg.co.jp.

2000

Matthew Lindsay, MBA '00

is a senior consultant with Deloitte Consulting in Chicago. His son, Connor Stevenson Lindsay, was born on August 12, 2000. You can reach Matt at Mlindsay@umich.edu.

Alan Reifler, BBA '00

is an investment executive with Dain Rauscher in Denver. He also is an active triathlete. If you don't feel like running after him, e-mail amreifler@yahoo.com.

OBITUARIES

**Howard Westing
MBA '35, PhD '42**

was a research associate and instructor at the Business School from 1938 to 1941 and an associate professor from 1946 to 1949. He then joined the University of Wisconsin School of Business where he remained until 1976, serving as professor, associate dean, department chair and emeritus professor, as well as the author of several marketing texts. During WW II he headed departments in the Office of Price Administration and the Food Rationing Division, was in the Naval Reserve and later worked with the Foreign Economic Administration and the Department of Commerce. He also was president of the Westing Paper Co. in Grand Rapids, Mich., from 1970 to 1972, was a consultant to GE from 1955 to 1970, and consulted with other major corporations. He is sur-

vived by his wife, Margaret, his daughter, Mary Caywood, and three grandchildren.

**William B. Borrmann
MBA '48**

passed away on April 21, 2001. He had worked most of his life with Ford Motor Company, involved in budget forecasting for parts for future designs, until his retirement in the mid-1980s. He also was actively involved with the Naval Reserves and retired with the rank of Commander. He was an avid football fan, holding season tickets for over 50 years. He also enjoyed traveling with his wife, Georgia, who died in 1991. They were married for 31 years. Mr. Borrmann is survived by his brother, Donald, also a Michigan alumnus, and three stepchildren, Stephen Manchester, Georgia Strieter and Thomas Manchester.

Share Your News...And Send a Photo!

Your classmates want to hear from you and see you in the next issue of *Dividend*.

There are many ways to submit a Class Note:

- 1) Fill out the Alumni Network Update on the last page of this issue and send it — along with a picture, if possible — in the postage-paid, self-addressed envelope inserted in the magazine.
- 2) E-mail your submission to cshaw@umich.edu.
- 3) Fax your submission to 734.647.2401.
- 4) Mail your news to *Dividend*, University of Michigan Business School, 701 Tappan Street, Suite D-2201, Ann Arbor, MI 48109-1234.

Thank You!

The University of Michigan Regents: David Brandon, Laurence B. Deitch, Daniel D. Horning, Olivia P. Maynard, Rebecca McGowan, Andrea Fischer Newman, S. Martin Taylor, Katherine White, Ex-Officio Member, Lee C. Bollinger, President, University of Michigan.

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Alumni Relations

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Alumni Network Update



Connect with your classmates and ensure you receive all Business School correspondence, including our e-newsletter MichiganMail. Keep your contact information up-to-date with Alumni Relations.

Alumni Relations
University of Michigan Business School
701 Tappan St., Ann Arbor, MI 48109-1234
Phone: (734) 763-5775 Fax: (734) 615-6103
Email: alumni@umich.edu

Please Print Legibly

Name: _____

Name while at School: _____

Degree(s) & Year(s): _____

BUSINESS INFORMATION

Title: _____

Company: _____

Address: _____

City, State, Zip _____

Phone: _____

Fax: _____

HOME INFORMATION

Address: _____

City, State, Zip _____

Phone: _____

Fax: _____

Preferred Email: _____

I consent to posting the following information in the Alumni Directory and on my class website, if one exists (both are located in M-Track, the password-protected portion of the Business School website).

- _____ Email
- _____ Business contact information
- _____ Home contact information

Now you can easily update your contact information online!
Go to the Alumni home page in M-Track at <http://mtrack.bus.umich.edu/alumni>
and click on "Update Your Personal Information."

You will need your login name and password to access the site—
if you need a login name and password, please contact the Alumni Relations office at alumni@umich.edu.

NETWORKING CODES

To get connected with alumni and students, you must identify your networking codes. Select one function and one industry code.

FUNCTION

- ___ Accounting
- ___ Buying/Purchasing
- ___ Computer/Management Info. Systems
- ___ Consulting-General
- ___ Consulting-Info. Technology/System
- ___ Consulting-Internal
- ___ Consulting-Operations/Process
- ___ Consulting-Strategy
- ___ E-Commerce
- ___ Engineering Management
- ___ Entrepreneur
- ___ Finance-Commercial Banking
- ___ Finance-Corporate
- ___ Finance-General
- ___ Finance-Investment Banking
- ___ Finance-Investment Mgmt.

- ___ Finance-Sales/Trading
- ___ Finance-Venture Capital
- ___ General Management
- ___ Human Resource Mgmt.
- ___ International Business
- ___ Legal Counsel
- ___ Marketing-Advertising
- ___ Marketing-General
- ___ Marketing-Product Mgmt.
- ___ Marketing-Research
- ___ Marketing-Sales/Retail
- ___ Marketing-Services
- ___ Marketing-Technical
- ___ Operations Management
- ___ Other
- ___ Real Estate
- ___ Strategic Planning

INDUSTRY

- Manufacturing**
- ___ Aerospace
- ___ Agribusiness
- ___ Auto./Trans. Equipment
- ___ Chemicals
- ___ Computer/Electronics
- ___ Construction
- ___ Consumer Goods
- ___ Diversified Manufacturing
- ___ Engineering Design
- ___ Energy/Petroleum/Minerals
- ___ Healthcare Products
- ___ Machinery & Equipment
- ___ Metals/Metal Products
- ___ Paper/Wood/Glass
- ___ Pharmaceutical/Biotechnology
- ___ Rubber/Plastics
- ___ Textiles

Services

- ___ Advertising
- ___ Business Services
- ___ Computer/Internet & Software Services
- ___ Consulting/Research
- ___ Education
- ___ Entertainment/Leisure
- ___ Environmental
- ___ Finance-Commercial Banking
- ___ Finance-Insurance
- ___ Finance-Investments
- ___ Finance-Services
- ___ Finance-Venture Capital
- ___ Government-Federal
- ___ Government-International
- ___ Government-State/Local
- ___ Healthcare

- ___ Hotel & Restaurant Mgmt.
- ___ Import/Export
- ___ Law
- ___ Media/Entertainment
- ___ Non-Profit
- ___ Other
- ___ Printing/Publishing
- ___ Public Accounting
- ___ Real Estate
- ___ Retail
- ___ Search Firms
- ___ Self-Employed
- ___ Sports Marketing/Management
- ___ Telecommunications
- ___ Transportation
- ___ Travel/Leisure
- ___ Utilities
- ___ Wholesale/Distribution

Please take a moment to respond to the information on the following page.

Alumni Relations

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Alumni Network Update

Name: _____

Get Involved!

- I would like to help plan my next reunion.
- My company may be willing to sponsor a reception/event for alumni or prospective students.
- I am willing to counsel the following groups regarding the Business School experience and/or career opportunities (please check all that apply). I understand that my email, home, and business contact information may be released for this purpose.
 - Prospective students
 - Current students
 - Alumni
- I am willing to act as an advisor for students or alumni involved in projects and seeking career advice about entrepreneurship. I understand I may be listed as an advisor in M-Track and that my email, home, and business contact information may be released for this purpose.
- I have enclosed my Annual Fund gift.

Join a UMBS Email List:

- I would like to be added to the following email list(s):
- UMBS Black Alumni Association
 - Entrepreneurship
(Administered by the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies)
 - Finance/Venture Capital
(Administered by the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies)
 - Tauber Manufacturing Institute
 - William Davidson Institute
(including WDI Summer Interns, Africa Corps (ABDC) Summer Interns, IMAP Students, Europe Project Course, and Global Project Course Students)

Class Notes

Share your news. . . and send a photo!

Your classmates want to hear from you and see you in the next issue of *Dividend*.

By providing my information, I consent to publication of my Class Notes, photos and email address in *Dividend* magazine and on my password-protected class website, if one exists.



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FILM INSTITUTE

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A BOLD PLAN



Photos by Michael J. Schimpf



Alcoa and Boeing receive high-level assistance from a Tauber Manufacturing Institute student team in streamlining a key international supply chain. See the article, beginning on page 34.