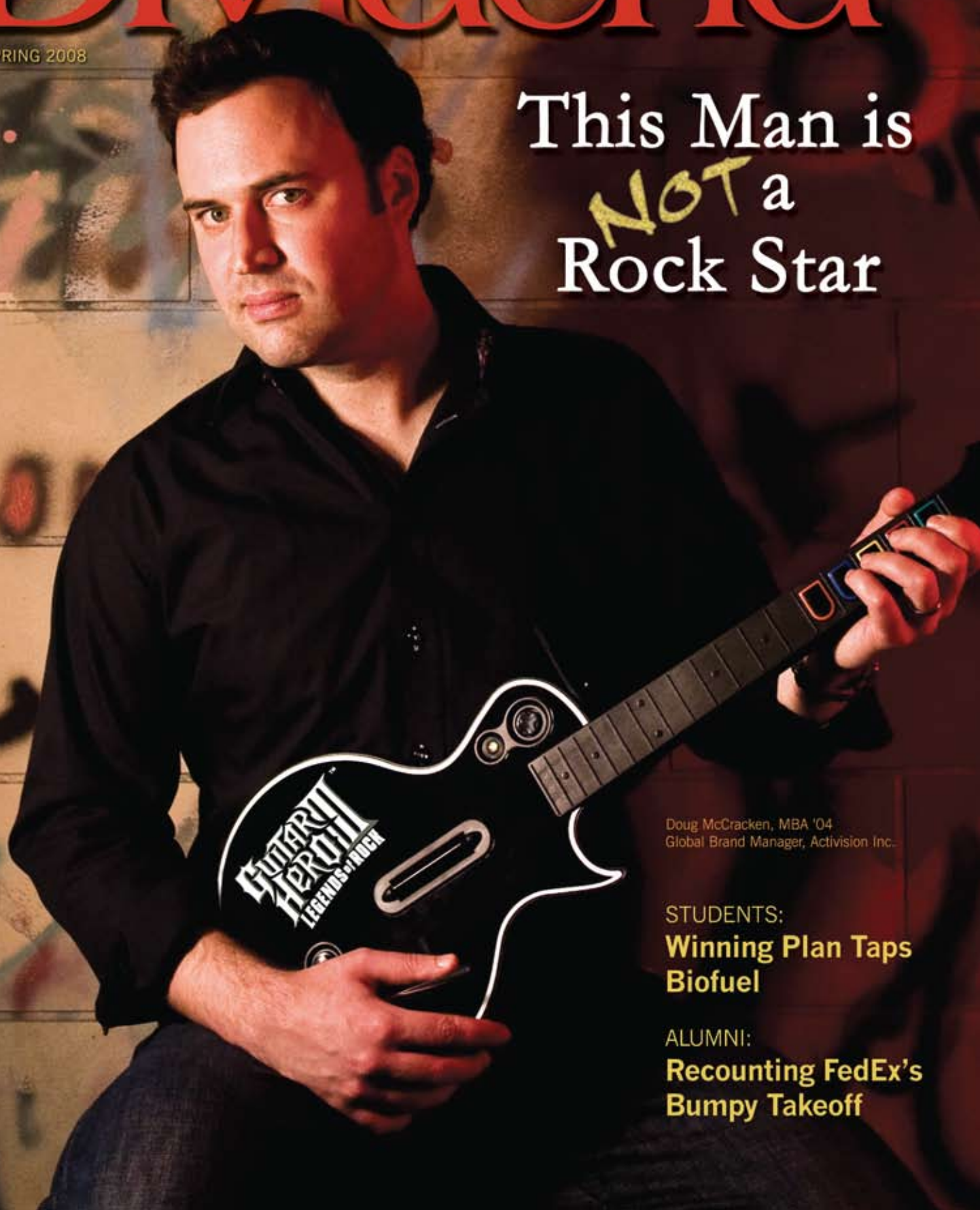


Dividend

SPRING 2008

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Doug McCracken, MBA '04
Global Brand Manager, Activision Inc.

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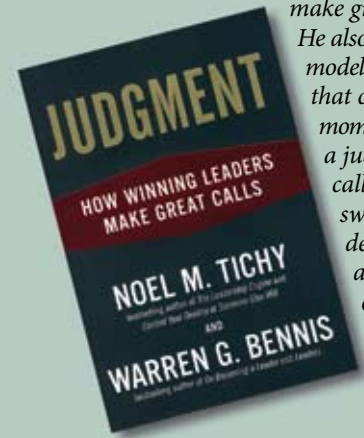


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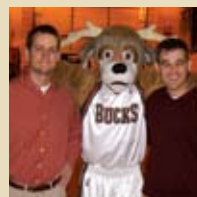
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Grace Lee
MBA/JD '08

Grace Lee, MBA/JD '08, focused on marketing and corporate strategy during her time at the Ross School. A graduate of Johns Hopkins, Lee pursued graduate studies in business and law to reach her ultimate target: She plans to found and manage a nonprofit organization that will offer social and legal services to immigrant victims of domestic violence.

Lee came to Ross as a Consortium Fellow, and she acted as a student liaison to the Consortium (which promotes diversity) while she was here. In addition, she served on Dean Robert Dolan's Diversity Steering Committee and on the Student Admissions Committee as a way to sustain and grow a diverse student body at

the school. Meanwhile, she was president of the Law School's Student Senate, where she worked to establish the Law School Mental Health Initiative. Throughout her time at Michigan, Lee championed student causes and raised funds for student organizations and campus programming.

Reflecting on her time at Ross, Lee says she was able to focus on such meaningful projects, in part, as a result of two scholarships: the David W. Belin Phi Beta Kappa Merit Scholarship and the Gladys D. and Walter R. Stark Graduate Scholarship. "I know I could never have accomplished half of these achievements or pursued my ultimate goal without their kindness," she says of the scholarship donors.

Lee's first position post-Ross is as assistant product director in Johnson & Johnson's baby division.



Amiyatosh
Purnanandam
Assistant Professor of Finance

Amiyatosh Purnanandam recently was named the Bank One Corporation Assistant Professor of Business Administration at Ross. This one-year appointment, effective in September, recognizes promising junior faculty who are conducting high-potential scholarly research. Purnanandam's area of expertise focuses on risk management, how firms make financial decisions, and the implications of those decisions on value and stock returns. Research interests cover security issues (IPOs/SEOs), investments, credit risk pricing, and banking. To hear an audio podcast that details his perspective on the Federal Reserve's April 2008

bailout of Bear Stearns, visit the Ross Web site at www.bus.umich.edu/purnanandam.

Purnanandam joined the Ross faculty in 2004 after completing his PhD at Cornell University. He's already had a phenomenal start to his academic career with nine accepted/published papers in top journals, as well as seven active working papers in development. He has presented at top conferences, and his output and visibility make him a top researcher in his cohort. In addition, Purnanandam contributes to the intellectual vitality of the Ross finance group in many ways—he's even started a reading group for the faculty.



Greg Bolino
MBA '92

Greg Bolino, MBA '92, is a partner at global technology and services firm Accenture. Based in Chicago, he leads the company's organization strategy practice in North America.

Prior to Accenture, Bolino served as vice president of sales and business development at Telution, a start-up company that provides operational support software for the communications industry. In 1999, he opened and led the Chicago office of Viant, a technology strategy and integration firm. Prior to that, Bolino was vice president at CSC Index, a management consulting group within Computer Sciences Corporation.

With more than 22 years of consulting management experience, Bolino has

helped numerous clients identify and pursue opportunities to enhance business performance with new operating structures, capabilities, and technologies. His clients have included General Motors, Northwestern Mutual, Sears, Best Buy, AOL, Verizon, Kraft Foods, Cinergy, SBC, and Sprint, to name a few.

Bolino also is an active Ross School alumnus who currently serves as chairman of the Alumni Board of Governors. He previously served as president of the school's Alumni Club of Chicago, which was named Alumni Club of the Year by Ross in 2007. He lives in the Chicago suburb of Winnetka with his wife Debra and their children, Nicholas and Olivia.

20 QUESTIONS

- 1. What keeps you up at night?** The hippie undergrads across the street who sit on their porch all night and bang on upside-down buckets. (Sorry, had to vent.)
- 2. What gets you up in the morning?** Fear of not being able to finish the marathon I'm training for. I try to go running most mornings.
- 3. What's the last book you read?** *Eat, Pray, Love*.
- 4. First album/CD you bought?** Michael Jackson's *Thriller* at age five. He was my first love! (Really relieved things didn't work out between us.)

- 5. Nightmare job?** Legal counsel for Philip Morris or quality control for Comcast.
- 6. Chicken or beef?** Neither—I'm vegan. No, it's not as bad as it sounds.
- 7. Most important room in your home?** My kitchen—I love to cook!
- 8. First Web site you access in the morning?** New York Times Online. I am addicted to the news.
- 9. Favorite comfort food?** Mashed potatoes. (I think I might secretly be Irish.)
- 10. If you had a theme song, what would it be?** "Don't Stop Believing" by Journey.
- 11. What's your favorite thing to do by yourself?** Clean my apartment. (I know...not the coolest thing, but I can't function in a mess.)
- 12. Three people, living or dead, you'd have over to dinner?** There's no way I could pick only three! I'm used to cooking for a lot of people, so I'd invite at least five: Ella Fitzgerald,

- FDR, Oprah, Will Ferrell, and Keanu Reeves' agent (s/he must be a genius).
- 13. What's the most thrilling/adventurous thing you've ever done?** Quit my job to become a refugee caseworker in Ghana during the Liberian War.
 - 14. Pet peeve?** People not wearing their seatbelts.
 - 15. Guilty pleasure?** Sleeping in.
 - 16. Unfulfilled wish?** Start a nonprofit to provide social and legal services to immigrant victims of domestic violence.
 - 17. Favorite item of clothing?** Jeans. I wish I could wear them to work every day... thank goodness for casual Fridays!
 - 18. Where would you retire?** New York. I can't quit that place!
 - 19. Favorite sport to watch?** Basketball.
 - 20. What are you afraid of?** Scary movies. And dehydration.

- 1. What keeps you up at night?** Overseas stock markets (and cricket matches).
- 2. What gets you up in the morning?** U.S. stock markets.
- 3. What's the last book you read?** *Flyboys* and Mahatma Gandhi's autobiography, *The Story of My Experiments with Truth*.
- 4. First album/CD you bought?** *Eagles* (by the Eagles).
- 5. What's on your iPod?** Old Hindi songs.
- 6. Nightmare job?** Keeping books.
- 7. Dogs or cats?** Neither.
- 8. Chicken or beef?** Chicken.
- 9. Most important room in your home?** The kitchen.

- 10. First Web site you access in the morning?** <http://finance.yahoo.com>.
- 11. Favorite thing to do by yourself?** Gardening.
- 12. Best trophy/award you ever won?** The Best Actor Award in a dramatics competition at Indian Institute of Technology (my alma mater).
- 13. If you could read anyone's mind, who would it be?** Alan Greenspan.
- 14. Three people, living or dead, you'd have over to dinner?** Mathematician John Nash, Microsoft's Bill Gates, and Nick Leeson, the infamous rogue trader who caused the collapse of the U.K.'s oldest investment bank.

- 15. What's the most thrilling/adventurous thing you've ever done?** Bought and sold stocks.
- 16. What is your dream car?** Lamborghini.
- 17. Where would you retire?** Too early to think about retirement!
- 18. Favorite sport to watch?** Cricket.
- 19. What did you want to be when you were a kid?** An astronaut.
- 20. What are you afraid of?** Global warming.

Listen to Purnanandam's podcast on the Bear Stearns bailout at www.bus.umich.edu/purnanandam.

- 1. What gets you up in the morning?** My kids—literally and figuratively.
- 2. What's the last book you read?** *Bo's Lasting Lessons*. It was a gift, and I loved the clarity that Schembechler brought to leadership.
- 3. First album/CD you bought?** Can't really remember, but I think it was Boston's *Don't Look Back*.
- 4. What's on your iPod?** A lot of '80s alternative music. Most of us are stuck in the music of our "younger" days.
- 5. Most important room in your home?** The kitchen. It's where everything happens.
- 6. First Web site you access in the morning?** Google. I answer all of my own questions with it.

- 7. Favorite comfort food?** Wine. Okay, that's not food. How about cookies?
- 8. If you had a theme song, what would it be?** "Somewhere Over the Rainbow."
- 9. Favorite line from a movie?** "*Carpe Diem!*"—*Dead Poets Society*.
- 10. What's your favorite thing to do by yourself?** Play guitar (or piano). I'm not good...but it changes my mood.
- 11. If you could read anyone's mind, whose would it be?** My children's. Their thought processes are raw and amazing.
- 12. What's the most thrilling/adventurous thing you've ever done?** Skydive from 13,000 feet. Very scary.
- 13. Have you ever cried at a commercial?** I won't admit it, but GE's "we bring good

- things to life" campaign had several touching segments.
- 14. Pet peeve?** People with negative outlooks. Life's too short for that.
 - 15. Desert island book, movie, or album?** *A River Runs Through It*.
 - 16. Unfulfilled wish?** I wish people trusted each other more. Most problems in society (and companies) boil down to a lack of trust.
 - 17. Favorite item of clothing?** Shoes.
 - 18. Favorite sport to watch?** College football. Go Blue!
 - 19. What did you want to be when you were a kid?** I wanted to invent things.
 - 20. What are you afraid of?** Losing my memory when I get old (or sooner).



ACCOLADES

Prahalad Ranked No. 1 Guru

Move over, Bill Gates. The Ross School's **C.K. Prahalad** is now the world's foremost management thinker.

Prahalad, the Paul and Ruth McCracken Distinguished University Professor of Strategy, recently placed No. 1 on Suntop Media's "Thinkers 50," a biennial ranking of the top 50 management thought-leaders worldwide.

In addition, Professor David Ulrich, who directs the school's Human Resource Executive Program, made the list at No. 42 — just behind former Vice President and Nobel Peace Prize winner Al Gore.

Prahalad, ranked No. 3 in 2005, bumped Microsoft Corp. founder Gates down to second place on the 2007 list. Rounding out the top five thinkers were former U.S. Federal Reserve Chairman Alan Greenspan, Harvard University strat-

Pictured above, C.K. Prahalad

egy guru and Ann Arbor native Michael Porter, and Strategos founder Gary Hamel, a Ross PhD graduate and long-time collaborator of Prahalad.

Prahalad's collaboration with Hamel produced the 1994 best-selling book *Competing for the Future*. In 2004, Prahalad wrote two more best-sellers: *The Future of Competition: Co-Creating Unique Value with Customers* (co-authored with Ross Professor Venkatram Ramaswamy) and *The Fortune at the Bottom of the Pyramid*. His new book, *The New Age of Innovation: Driving Co-Created Value Through Global Networks*, co-authored with Ross Professor **M.S. Krishnan**, was released this spring.



PRESTIGE

Bagozzi Honored for Scientific Roles

Richard Bagozzi, Ross professor and chair of marketing, has been elected a Fellow of the Association for Psychological Science (APS). Recently, he also was appointed to the Board of Scientific Counselors for the National Center for Health Marketing at the Centers for Disease Control and Prevention (CDC).

The APS is the most prestigious association for psychologists worldwide. Fellow status is awarded to members who have made outstanding contributions to the science of psychology in research, teaching, service, and application. Candidates are considered after a minimum of 10 to 15 years of post-doctoral contribution.

Bagozzi was chosen to join the CDC's Board of Scientific Counselors based on his outstanding research in marketing, statistics, health behavior, and health systems. The nine-member board advises the CDC's director and the Secretary of the Department of Health and Human Services (HHS) on the strategies and goals for the programs and research of the National Center for Health Marketing. It also conducts peer reviews of scientific programs and monitors the center's overall strategic direction.

Bagozzi, who also is a professor at U-M's College of Pharmacy, conducts basic research on human emotions, decision making, social identity, and action. He applies this work to the study of consumers, patients, doctors, salespeople, managers, and organizations. ☒



Richard Bagozzi



DAVID BERNARD

Reporters descend on presidential hopeful Jan Svejnar.

PRESIDENTIAL

Svejnar Runs in Czech Republic

As U.S. presidential candidates battled for their party's nomination earlier this year, Ross Professor **Jan Svejnar** waged his own race for president — in the Czech Republic. Cast as the underdog in a race against incumbent Vaclav Klaus, Svejnar ultimately emerged as the people's favorite candidate; a pre-election poll showed 55 percent of citizens preferred Svejnar to Klaus. But the Czech president is chosen by members of the country's parliament, not through a public election. In the end, Svejnar was defeated by Klaus in a vote of 141 to 111.

Svejnar told the *Michigan Daily* in February that one reason he ran was to combat rampant bribery in the Czech government. He is convinced parliament members received a "significant monetary payoff" to support the incumbent in the final election.

"There was an incredible amount of pressure tactics and corruption," Svejnar told the *Daily*. "What we have done is contribute in a major way to the progress of the young democracy here." He said he may consider running for president again.

Svejnar mounted his presidential campaign during his sabbatical from the University, where he is the Everett E. Berg Professor of Business Administration at Ross, professor of public policy and economics, and director of the International Policy Center. ☒

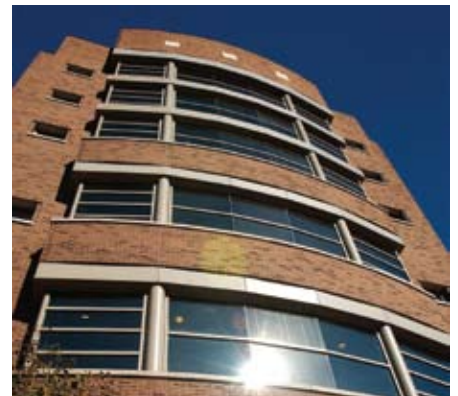
LEADERSHIP

Ross Ranks Highly

The Ross School is one of the two best business schools worldwide for integrating social, environmental, and ethical issues into its MBA program, according to the Aspen Institute's 2007–2008 Beyond Grey Pinstripes survey, a biennial ranking of business schools.

"Michigan offers a truly extraordinary number of courses featuring relevant content, and does a truly extraordinary job in explicitly addressing how mainstream business improves the world," said Rich Leimsider, director of the Aspen Institute Center for Business Education.

In addition to its overall No. 2 ranking (behind Stanford University), the Ross School also placed first in faculty research and fourth in course content.



"It's gratifying to see our faculty celebrated for integrating issues of social responsibility and environmentally sustainable business into their teaching and research," said Ross School Dean **Robert Dolan**. "In our approach to leadership education, we emphasize that our students will need to address these issues in their careers, whether they work in the public, private, or nonprofit sector — or in all three."

Ross offers more than 50 courses in 10 different academic areas, along with some 30 activities, including seminars, internships, competitions, clubs, and centers, which integrate social, environmental, and/or ethical perspectives.

In related news, Ross received the 2007 Chapter of the Year Award from Net Impact, an international organization of 10,000 students and professionals committed to serving the social and environmental good through business. This was the second consecutive win for Ross's Net Impact chapter. ☒

SURVIVORSHIP

2007 McNally Lecture

When landmine survivor **Jerry White**, EMBA '05, quit his job and cashed out his retirement fund to co-create Landmine Survivors Network (LSN), he had a vision for a mine-free world.

One decade, one mine ban treaty, and one Nobel Peace Prize later, White is expanding that vision to include a victim-free world. Ever the entrepreneur, he has taken what he's learned as LSN's executive director and extended his expertise to a wider audience. LSN is now Survivor Corps, which advocates on behalf of all victims of armed conflict, torture, genocide, and violence.


"As LSN was working toward a global ban on landmines and spearheading the 1997 Mine Ban Treaty, we met survivors who had struggled against tremendous odds, with just a few tools, to resume some semblance of life, even in the most impoverished contexts," says White, who lost his own leg to a landmine blast in 1983 during a college trip to Israel. Landmines have killed or maimed more people, 80 percent of them civilians, than nuclear, chemical, and biological weapons combined. "We learned something in all of these survivor visits: a recipe for resilience."

White shared that recipe and his vision

for Survivor Corps when he delivered the 41st annual William K. McNally Memorial Lecture at the Ross School in November. White also promoted his book, *I Will Not Be Broken: Five Steps to Overcoming a Life Crisis* (St. Martin's Press).

Prior to co-founding LSN/Survivor Corps, White was assistant director of the Wisconsin Project on Nuclear Arms Control, where he co-founded and edited the Risk Report, an award-winning database

Jerry White, EMBA '05

designed to track the spread of weapons of mass destruction. As a leading proponent of the 1997 Mine Ban Treaty, he was a co-recipient of the 1997 Nobel Peace Prize awarded to the International Campaign to Ban Land Mines. To date, 150 countries have signed the treaty, with the notable exception of the United States. 

REUNION


Angelou Brings Poetry to Business World

Acclaimed American poet Maya Angelou wove a lyrical thread through Reunion 2007 at the Ross School in October. The somewhat unorthodox engagement—inviting a poet to speak to business professionals—illustrated an important point about melding the arts and sciences. Angelou likened it to one hand washing the other.

"One hand trying to wash itself is a pitiful sight," she told a packed house at Hill Auditorium. "If you are a businessperson, you have to remember how human you are. So are your clients, your customers, your students, and your loved ones. Even a math student can walk into the classroom

and say, 'Pythagoras: He was a human being. So am I.'"

That shared humanity connects all people across the vast elements of business and culture, Angelou said. "As a poet, I agree with the mathematician that there is an order to all things. So, I say, if you are a poet, welcome the scientist. And if you are a scientist, welcome the poet, the artist, and the ballet dancer."

By demonstrating the curiosity and courage to embrace that which initially is perceived to be alien, human beings can achieve anything, the poet continued. She cited the pyramids and the Hanging Gardens of Babylon. "We are the miraculous: the true wonder of this world," said Angelou, quoting a passage from her poem "A Brave and Startling Truth," which she presented at the 50th anniversary of the United Nations. 

Maya Angelou



PHILIP DATTILO

ENGAGEMENT

Lantos Warned Against Isolation

The tangible price, in blood and money, of the war in Iraq may be staggering. But the intangible cost of the conflict — a penetrating sense of disappointment and an isolationist mood among the American people — is what presents the utmost challenge for the next president of the United States, argued the late Congressman Tom Lantos (D-Ca.) in an October 2007 lecture sponsored by the Ross School and the William Davidson Institute (WDI). Lantos, who was chairman of the House Foreign Affairs Committee, passed away in February 2008.


“The greatest cost of this undertaking,” Lantos emphasized, “could be the turning inward of the American people and their intent not to become engaged in the world come 2009.” This desire to withdraw from the world stage could not



Tom Lantos (right) talks with students.

come at a worse time, he said. International organizations such as the United Nations and NATO have proven ineffectual of late, leaving the unenviable job of world disciplinarian to the United States.

“This tumultuous world needs some structure, some order, and some sense of rule,” Lantos said. “Since the American people are very unhappy playing this role, the task of the next president will be, domestically, to persuade them that there is literally no alternative but to continue the global leadership role of the United States.”

Lantos was a founding board member of WDI, a nonprofit research and educational institution dedicated to creating and disseminating expertise on business and policy issues in emerging economies. In 2007, the William Davidson Institute endowed a chair in Lantos’ name. WDI Executive Director **Bob Kennedy** is the first to hold the title of Tom Lantos Professor of Business Administration. 



STEVE KUZMA

VALUE CREATION

Barber Aligns with Ross Benefactor

Former National Football League star Tiki Barber’s activities off the field and off camera exemplify what Martin Luther King Jr. meant when he asked that people be judged not by the color of their skin, but by the content of their character. Barber, who set virtually every career offensive record during his 10 years with the New York Giants, spoke at the Ross School’s 2008 celebration of Martin Luther King Jr. Day. Currently, he is an NBC correspondent and children’s author. He also serves as a board member for the Children’s Miracle Network and the Fresh Air Fund, and belongs to the Leadership Council of the Robin Hood Foundation.


In late 2007, Barber announced a business partnership with Ross School benefactor **Stephen M. Ross**, BBA ’62, to develop high-quality, affordable housing throughout the country. Their goal, Barber says, is to revitalize downtrodden communities and to create value in neighborhoods hit hardest by violence,

Tiki Barber (right) meets fans after his MLK Day presentation at Ross.

crime, and foreclosures.

“At some point, the American Dream became synonymous with home ownership,” Barber explains. “A lot of people bought into that idea, and subsequently got burned by living outside their means. As a result, foreclosures are going through the roof right now, and people don’t have anywhere to go. We’re refurbishing [existing rental housing] to give these families an affordable place to live.”

Barber met Ross just days after he retired from the NFL. “This venture gives us a chance to highlight something [Stephen Ross] has been doing for 35 years,” Barber says. “And it’s a great chance for me to give back to my community.”

“We’re creating value in something that’s been devalued,” he continues, noting the venture will kick off in his hometown of Roanoke, Virginia. “Not only are we hoping to give people something to be proud about, but we’ll be empowering them. And that’s what life is about: being empowered and feeling in control of your own destiny.” 

COOPERATION


Global Climate Change and China

Global climate change should lead the next president's agenda in shaping U.S.-China relations, urged Ross Professor **Kenneth Lieberthal** during a February lecture co-sponsored by the University's Center for Chinese Studies (CCS) and the Osher Lifelong Learning Institute.

"There is no issue globally that would capture more respect than taking a leadership role regarding climate change," said Lieberthal, the William Davidson Professor of Business Administration. "The U.S. and China are the two biggest emitters of greenhouse gases by far. We also are the two most powerful industrialized nations on the planet. If we can forge ahead and partner on the significant issue of global climate change, it would be tough to picture any other country having an excuse not to sign on."

Lieberthal, a research associate at the CCS, served as special assistant to the President for National Security Affairs and senior director for Asia on the National Security Council from August 1998 to October 2000. He has written and edited numerous books and articles on policy, politics, and decision making regarding China. He also is the Arthur F. Thurnau Professor of Political Science and Distinguished Fellow of the William Davidson Institute.

Lieberthal conceded the Bush administration has done an effective job in managing the complex and maturing relations between the U.S. and China on a traditional, bilateral, and day-to-day basis. But he said the next president has much work to do in demonstrating a credible commitment to long-term cooperation with China on economic, energy, and global-security issues.

A near-term pact on global climate change could set the stage for ongoing cooperation and trust between the two countries in more complex and nuanced areas, Lieberthal said. "It could provide the basis of a sufficiently wide-ranging, deep, and sustained level of cooperation that would tilt the long term decisively in the right direction." 



STEVE KUZMA

TRAILBLAZING

Women Explore Possibilities

Embracing the axiom "it's the journey, not the destination" can be challenging for career women who follow trails that are not yet blazed to destinations that often remain out of reach. In fact, a recent Ross study revealed that women, especially those of color, are still a widely untapped resource at the executive level and in the board rooms at Michigan's largest public companies.


The September 2007 Women in Leadership Conference, "Phenomenal Women: The Power of Possibility," suggested new strategies for female executives. The 15th annual event, presented by Michigan Business Women and the Women's Business Initiative, was sponsored by General Motors and hosted by the Ross School. Executives in the energy, automobile, and banking industries, among others, shared their experiences with women in the Ross MBA and BBA programs.

The modern workplace is not only fickle, but ever-changing, noted Rebecca Krecke, director of card-member acquisition, Costco Co-brand, at American Express. Establishing credibility among peers, taking calculated risks, and reaching out to a diverse set of seasoned mentors can help women navigate uncharted territory.

Ross MBA and BBA students packed the Michigan League ballroom at the 2007 Women in Leadership Conference, "Phenomenal Women: The Power of Possibility."

"The speed of innovation is overwhelming today," Krecke said. "Our problems are bigger. The world is smaller. The competition is fiercer than ever."

This competitive landscape can create a new set of issues for female executives who take time off for family or other matters, said Handan Sert, vice president of the global consumer treasury group at Citi. "Re-entering the workforce is more challenging today. It's not so easy just to start where you left off when 'where you left off' isn't there anymore," she said. And it's not just your job that may not be there anymore, added Ross Professor **Christina Brown**, lecturer in marketing. "Your whole career may not be there."

Fortunately, the ever-changing workplace opens new vistas that "phenomenal women" can exploit, Brown said. Some executives return to the workforce as entrepreneurs; others redefine their roles via "intrapreneurship" within an organization. "The one good thing is that women have always had to be more flexible as a function of life," Brown said. "So it's a strength we already have. We can adapt to a changing world better than some of our male counterparts." 

INNOVATION
Experts Challenge Convention

Experts at the first-ever Management of Innovations in Global Operations Conference embraced, and even celebrated, failure as an inherent element of innovation when growing a company, going international, coping with energy concerns, and leveraging the Internet. The Operations Management Club at Ross presented the debut conference, which was sponsored by the Tauber Institute for Global Operations.

Google's Mark Matossian, the platforms build manager at the world's largest search engine/advertising firm, provided a glimpse at the hardware company hidden within the software company. The corporate culture at Google nurtures those with "disruptive" thinking, he said. "Our management doesn't mind if we fail. They just encourage us to fail quickly and move on."

Failure is not something to fear at computer-networking giant Cisco Systems, said Kevin Harrington, vice president of global business operations. "We have created a safe environment for collabora-



tion, leadership, execution, and disruption. If someone has the guts to put something on the table, and it fails but we learn from it — yes, we celebrate that."

As executive director of logistics, purchasing, and supply chain for one of the world's largest companies, Thomas McMillen of General Motors faces the chal-

lenger of moving 70 million vehicles to consumers around the world each year. From railways to seaways, simply adding capacity involves daunting issues of size and scope. Despite lagging sales figures in Michigan and the United States, GM's sales for the third quarter of 2007 were up four percent, McMillen said, due to the firm's innovative outreach in emerging markets, such as India, China, Russia, and Latin America.

The most innovative ideas come from collaborative effort, as evidenced by the successful Integrated Product Design course led by Ross Professor **William Lovejoy**. The IPD course took a well-deserved bow at the conference when results of the 2007 IPD challenge were re-

vealed. The challenge teamed up students from Ross, the College of Engineering, and the School of Art and Design to research, design, manufacture, and market an urban shopping cart. Team Velocity took top honors. ☑

INVESTING
Student VCs Enter Market

In late 2007, the student managers of the Frankel Commercialization Fund announced their first investment of \$85,000 in Arbor Photonics. The Ann Arbor-based optical fiber technology firm is commercializing technology that originated in the U-M's Department of Electrical Engineering and Computer Science (EECS).

Established in 2005, the Frankel Fund provides pre-seed money to scientists and inventors and seed capital to early-stage ventures. The fund is organized into two

student teams that function as independently financed venture-capital companies. One team specializes in healthcare opportunities and the other in technology. Each student team reports to a board of directors comprising venture capitalists, entrepreneurs, industry experts, and CEOs. The teams also collaborate with the U-M's Office of Technology Transfer to identify and assess University research discoveries and inventions with commercialization potential.

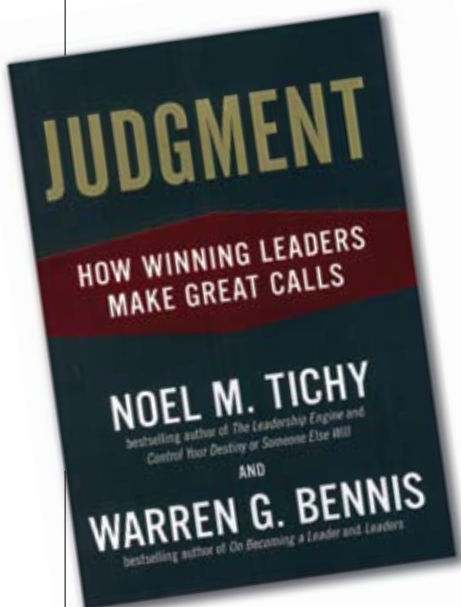
"Ross students work closely with inventors to help them identify the key milestones necessary to demonstrate an idea's utility and market potential, and then position the idea to receive invest-

ment capital in the future," says **Thomas Porter**, director of the fund. He is executive-in-residence at the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies at Ross and an adjunct lecturer at the school. He also is a general partner of Trillium Ventures.

The investment in Arbor Photonics demonstrates the Frankel Fund's commitment to coupling business students interested in company creation and product commercialization with other talented U-M students, faculty, and researchers who may lack the business experience or knowledge to bring their innovative ideas to the marketplace. ☑

JUDGMENT

With good judgment,
little else matters. Without it,
nothing else matters.



Whether one is talking about U. S. presidents, chief executives, major league coaches, or wartime generals, leaders of all kinds are remembered for their best and worst judgment calls. In the face of ambiguity, uncertainty, and conflicting demands, the quality of a leader's judgment determines the fate of the entire organization.

"With good judgment, little else matters. Without it, nothing else matters," state co-authors **Noel M. Tichy** and **Warren G. Bennis** in their new book, *Judgment: How Winning Leaders Make Great Calls* (Portfolio). Tichy is professor of management and organizations and director of the Ross School's Global Leadership Program. Bennis is professor of business administration at the University of Southern California.

These two experts and widely published authors have spent decades studying and teaching leadership, and advising top CEOs. Here, they present a powerful framework for making tough calls when the stakes are high and the right path is far from obvious. They show how to recognize the critical moment before a judgment call, when swift and decisive action is essential, and how to execute a decision after a call.

In the following Q&A, Tichy explains why this topic interests him, and how his research with Bennis can help today's leaders transform the corporate landscape.



Noel M. Tichy

Dividend: Why did you decide to tackle judgment as the essence of good leadership?

Tichy: The more Bennis and I looked at existing decision-making literature, the more we realized there was not much that helped you understand the process of making consistently good judgment calls. And you aren't going to find it in some *Harvard Business Review* article listing "seven easy steps for making a decision."

We're trying to frame an area that has not been framed before in order to gain a better understanding of judgment. We decided to focus our research on leaders who make big judgments: A.G. Lafley, the CEO of Procter & Gamble; Jeff Immelt, the CEO of General Electric; and the late U.S. Army General and Special Operations Commander Wayne Downing, among others.

There are only three judgment domains that really matter: 1) people (who's on your team, who's off); 2) strategy (what mountain do we climb?); and 3) crisis (every so often a storm comes along). If

you don't get the people part right, the other parts can't function well. If you don't have an aligned, trustworthy team, there will be all kinds of game playing and political machinations when you sit down to set strategy. And you certainly can't survive a crisis.

Dividend: CEO selection by a board is one area in which good judgment makes all the difference. But as your book details, boards too often fail in this critical respect.

Tichy: There are a few recent instances where it appears board members did not do a good job of asking themselves, "Does this person have the fully scoped capability for handling the complexity of the position we're putting him/her into?"

"The number-one role of a CEO, besides delivering value to the shareholders, is to have a successor in place. However, Corporate America should get a grade of D- or F on the way that leadership pipelines are handled."

—Noel M. Tichy

One such example is former Citigroup CEO Chuck Prince. Chuck is a lawyer without a lot of financial acumen or experience in a complex organization like Citigroup, which at the time was the largest financial organization on the planet. Ultimately, he was pushed out of the company in November 2007.

Then there's former Merrill Lynch CEO Stan O'Neal, who also was fired in 2007. Stan came from General Motors, and all of a sudden he was playing on Wall Street. Those are very different games to play. More important, by all accounts he was a prickly, defensive kind of leader, so people below him didn't want to bring him bad news. His own handpicked board actually fired him. In Merrill Lynch's case, the board had to go outside the company to find a new CEO.

Carly Fiorina, the former chairman/CEO/president of Hewlett-Packard, was a sales and marketing person who never really ran anything before she ran HP. She grew up in AT&T, a kind of quasi-monopolistic company, then joined Lucent Technologies, which was selling switchgear to the telecommunications industry. To sell switchgear, you basically have seven or eight customers who you wine and dine, and then you get these multimillion-dollar deals. So she looked good — everybody was buying switchgear. But if you haven't run a true profit-and-loss organization, it's pretty hard to groom yourself to run a company. Contrast that to current HP chairman/CEO/president Mark Hurd, who ran real businesses and

is to have a successor in place. However, Corporate America should get a grade of D- or F on the way that leadership pipelines are handled. When you think about HP having to go out twice; 3M having to go out twice; and about events at Boeing, Merck, IBM, Kodak, and Motorola — these are brand names that historically my colleagues would describe as really great companies with great leadership. Wrong. These companies illustrate that the majority of U.S. corporations have broken leadership pipelines. Of course, there are exceptions — a few companies are doing it right. For example, GE not only had one candidate, Jeff Immelt, but three who could have taken Jack Welch's place, including Jim McNerney, who is



made real trade-offs during his 25 years at NCR Corp. Granted, the businesses he ran were smaller than HP, but he still came in and turned the company around.

Prince, O'Neal, and Fiorina all fall into the same category of "bad people judgments" made by corporate boards. The facts show these decisions weren't very good because the boards had to get rid of their CEOs. And with Merrill Lynch and HP, board members had to go outside the company to replace their chief executives.

Dividend: That speaks to a very significant issue you address in the book, which is developing leaders within the company to ensure the board can make "good people judgments" when the time comes.

Tichy: The number-one role of a CEO, besides delivering value to the shareholders,

Tichy says too many corporate boards lack viable CEO succession plans, leaving firms temporarily rudderless.

now the CEO of Boeing.

Let's look at Procter & Gamble, an interesting case in which CEO Durk Jager failed in 17 months and resigned from the company in 2000. A.G. Lafley, an internal candidate, was waiting in the wings. Since taking charge, Lafley has more than doubled the market cap of the company and done a terrific job. Look at PepsiCo Chairman/CEO Indra Nooyi. I think she is going to be the bellwether female CEO we'd hoped would emerge. Nooyi is the real thing in my book. Again, she was an internal candidate, who was identified more than a decade ago in a corporate leadership development program.

Companies such as Yum! Brands and Caterpillar have “bench strength” in terms of a leadership pipeline. But all too often, companies do not focus on this critical component of leadership development.

Dividend: Much like leadership, judgment is a murky concept, difficult to quantify and teach. But in your book, you create a process people can follow to hone their judgment and become better at making good calls.

Tichy: Everyone’s ability to make judgment calls can be improved, and there’s a straightforward way to do it. Judgment is

a process that starts with preparation. First, you must sense and identify the need for a judgment call. Dell Chairman/CEO Michael Dell stumbled on this very first step when the market cap of Dell went from twice that of HP to half that of HP in less than two years. He missed the signals, and then he blamed Kevin Rollins, his former CEO. Rollins was a sacrificial lamb, in my opinion. Dell was there every day in a connected office running the company with Rollins.

The second step of the judgment process is framing the issue and naming it. P&G CEO Lafley did this very well when

he saw Procter & Gamble’s baby-care business going south. He framed and named that issue not as “I have to coach that team,” but as “I don’t have the right leader for that team.”

In the next step of the process, the leader has to mobilize and align the key stakeholders around his or her call. At P&G, Lafley made a big mistake by neglecting to consult senior staff before he appointed Deb Henretta to run his baby-care business. She knew the marketing and consumer side, but she was not an engineer like the leaders who had always dominated and led the business. They typically focused on manufacturing and the cost side of the business. Lafley

Crisis Challenge Tests Judgment,

Dense rain from a late-night tempest pelts the windows of an office overlooking Hyderabad, India. A bleary-eyed team of executives, employed by the U.S. pharmaceutical firm Pharmeck, ignores the downpour outside and focuses instead on the perfect storm raging within. A public relations debacle threatens the very future of Pharmeck, and the team has less than 12 hours to avert a corporate meltdown.

Earlier that day, Indian news reports cited high levels of mercury in the water supply near Hyderabad, home to Gentab, one of Pharmeck’s key Indian subcontractors. Mercury contamination was blamed for three deaths and countless ailments in the region; and despite any hard evidence, Gentab was blamed for the mercury.

The short-term eco-crisis notwithstanding, Pharmeck stood to face an even greater calamity. Bowing to local pressure, the Indian government had shuttered Gentab pending an investigation. Production had ceased on Maladone, an anti-malaria wonder drug manufactured exclusively for sale by Pharmeck. Millions of malaria victims in the Third World would go untreated if Gentab did not resume Maladone production immediately.

It’s now 10 p.m. at Pharmeck’s Hyderabad offices, and the firm’s general counsel, regional VP of operations, regional VP of

sales, and environmental health and safety officer are camped around a table strewn with the detritus of a half-eaten meal. At 8 a.m. the following day, this team will field questions from a hostile press in search of a scapegoat, a consortium of nongovernmental organizations demanding more Maladone than can be supplied, and a host of twitchy shareholders prepared to offload free-falling Pharmeck stock.

Just another day in big-time pharma? Not exactly. Pharmeck doesn’t really exist. Gentab is a firm that lives only on paper. And the crisis at hand is actually a role-playing exercise presented by the Ross Leadership Initiative (RLI).

“The exercise grew from a need to explore the role of the firm in society,” says **Sue Ashford**, associate dean for leadership programming and the Executive MBA Program. January’s RLI Crisis Challenge, the first of its kind for Ross, is just one touchstone for leadership that Ashford’s team has built into the MBA program. “Judgment and leadership are qualities best learned by experience,” she notes. “But experience can be costly and quite painful. The RLI Crisis Chal-

Shally Madan, MBA '09, acting as a crisis communications expert, fields questions from a faux TV reporter during the RLI challenge.



missed the opportunity to get his team aligned behind Henretta. Although he was confident in his choice, he quickly realized his mistake in the way he executed the decision.

Dividend: You use this P&G example in the book to illustrate the “re-do loop,” which you and Bennis identify as critical to making good judgments.

Tichy: Good leaders make mistakes along the way, but they self-correct before it's too late. In some ways, that's an intuitive skill. But it's also a learned skill, as indicated in the “re-do loop,” which Bennis and I view as an explicit part of the judgment process.

In Lafley's case, he had to realize, “Whoops, I didn't involve people. I need to go back.” So he gathered his vice chairmen and presidents, and allowed them to submit their own candidates for the baby-care division. He still made the call for Henretta, but it was now within a context everyone understood. And then he did something that was critical to her success in the position: He stayed with her after he made his judgment call on her leadership. If he'd just said, “Good luck, Deb, I hope you can make it happen,” the good old boys who dominated the business probably would have destroyed her chance to lead. I have seen Lafley on video, knocking on wood and saying, “Thank God, she

made it.” She turned that business around, and is now P&G's group president-Asia.

The other piece of the book that's very important is our intent to get leaders thinking about how they can help the upcoming generation develop their capacity for judgment. What judgment stretches need to be built into people's leadership-development journey? There are going to be plenty of bad judgments along the way — no one's perfect — but everyone needs opportunities to learn.

The only way you can develop good judgment is to exercise judgment, and that means putting people at some risk. Running a small profit-and-loss center

Leadership

allenge is a chance for our MBAs to exercise both judgment and leadership in a safe environment.”

That's easy for Ashford to say. Though no lives, ecosystems, or corporate futures were really at stake, students did have to sacrifice some short-term comfort for their long-term development. With just a few hours to prepare, 12 teams of four students each sought to frame a strategic response to the crisis, align themselves around it, mobilize, and stick with their game plan — taking into account such functions as operations, finance, legal, and marketing. They relied on guidance from Ross professors **Noel Tichy**, co-

“Judgment and leadership are qualities best learned by experience. But experience can be costly and quite painful. The RLI Crisis Challenge is a chance for our MBAs to exercise both judgment and leadership in a safe environment.”

—Sue Ashford

author of *Judgment: How Winning Leaders Make Great Calls*, and **Jim Walsh**, who warned against “simplistic cognitive structures that won't serve you well.”

With a midnight deadline looming, the students waded through a plethora of details designed both to inform and distract. Priorities emerged as the teams struggled to decide which issues to engage or deflect. Meanwhile, RLI staff delivered time-released curveballs in the form of faux memos, news updates, and financial alerts.

The next morning, the teams faced what could only be described as a verbal firing squad of multiple stakeholders. Journalists, business executives, and Ross professors simulated the roles of reporters, NGOs, and stockholders. Dressed in formal business attire and wearing nametags that denoted their “jobs” at Pharmeck, the students stepped in front of cameras and experienced a visceral, and sometimes excruciating, lesson in the delicate art of crisis communications.

Questions pelted them. “Do you take responsibility for the mercury spill?” “What are you doing to help the citizens who've been poisoned?” “How much are you prepared to spend?” “How often did you review Gentab's operations?” “When can we get more Maladone?” “What will the millions of malaria sufferers do in the meantime?” “When will Gentab re-open?” “How can you reassure stockholders that Pharmeck's bottom line will not be impacted by this crisis?”

At the close of each session, shell-shocked

A role-playing Brent Morgan, MBA '09, keeps his corporate cool under intense media scrutiny.



INTELLECTUAL CAPITAL

offers great training experience. When I worked with Jack Welch at GE, the company had more profit-and-loss centers than any other company. Welch would say, "I can send someone to run some small business, and if they blow it up and it fails, it doesn't even show up on the annual balance sheet." So you must have the minor leagues where leaders can be tested and enabled to grow and develop. A lot of companies don't have that.

Dividend: Where do you see the intersection of analysis and intuition when it comes to making good judgments?

Tichy: I've been a business school professor since 1972. If you look back at what we teach our MBAs, it appears we've been overselling the analytics. That said, we're not throwing out the analytics in our model. Believe me, when GE CEO Immelt spends \$10 billion on an acquisition, it's not a "blink" type of intuitive decision. There's a lot of number crunching and analysis going on. There's a lot of preparation, and then there's the readiness point at which you make the call: We're going to make the offer. And then on the execution, winning leaders are able to stay with the call. It's all about owning that whole process of blending the intuitive and analytical parts together.

Dividend: The subtitle of your book is *How Winning Leaders Make Great Calls*. Why no chapter on corrupt leaders who've destroyed companies with criminal calls?

Tichy: This book is not for leaders who are dishonest, such as those at Enron, Tyco, and ImClone. Once you've crossed that line, we're not interested in helping you make good judgments. You've already made the judgment call to undermine the free-enterprise system. In the book, we talk about the need for "unyielding integrity" in our leaders. Without that, I don't want to teach you about judgment. ☒

Deborah Holdship



STEVE KUJZMA



"The greatest shortage in business today is thinkers. And you *need* thinkers in a crisis."

—Ralph Bahna, BBA '64

In a staged press conference, Ralph Bahna, BBA '64, (left) posed tough questions to Ross first-year MBAs (right) who were acting as pharmaceutical executives under fire.

teams sat down with a communications expert who evaluated their behavior, speech patterns, and body language. "The communications feedback was extremely valuable," says **Steve Perakis**, a first-year MBA student who had a job interview the following day. "I'll continue to use it in the future."

Three of the 12 teams advanced to the last round of competition toward a \$2,000 team prize. Finalists assimilated the morning feedback, refined their presentations, and went before a fresh panel of afternoon experts, including **Ralph Bahna**, BBA '64, chairman and founder of Club Quarters, and chairman of priceline.com. He relished the role of inquisitor, pounding the students with relentless queries.

"The greatest shortage in business today is thinkers," Bahna says. "And you *need* thinkers in a crisis."

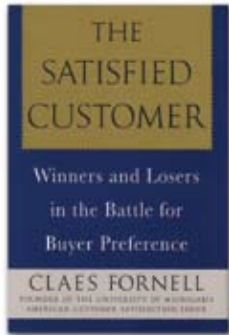
First-year MBAs **David Cieminis**, **Anurag Gupta**, **Shally Madan**, and **Brent Morgan** took the team prize for a presentation that hit the highest marks. Gupta, a dual-degree student pursuing an MBA and an M.D., says Tichy's advice at the onset of the competition resonated throughout the brainstorming session. "It's important to think about why you're taking a stance and what that stance is going to mean for you, your company, and the community at large," he says. "And taking that stance will carry you throughout your action plan."

Working every possible advantage doesn't hurt either. His team repeatedly referred to him as *Doctor Gupta* on stage. ☒

Deborah Holdship

The Book Wall

NEW RELEASES BY ROSS FACULTY



The Satisfied Customer: *Winners and Losers in the Battle for Buyer Preference*

By Claes Fornell, Donald C. Cook Professor of Business Administration, Professor of Marketing, and Director of the National Quality Research Center

Did you know that gaining market share may be bad for profits? Or that more customer complaints can be good for business? It's true. Claes Fornell turns much of conventional business practice on its head as he explores the shifting balance of power between buyers and sellers — and illustrates ways in which businesses and investors can benefit from better managing their newly empowered customers.

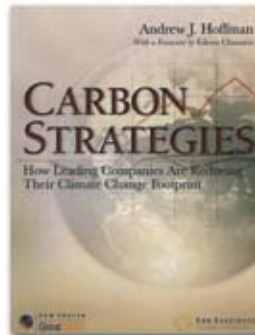
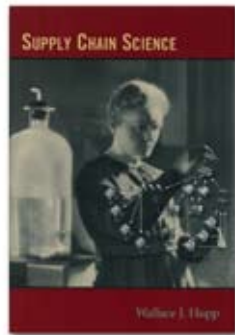
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Supply Chain Science

By Wallace J. Hopp, Herrick Professor of Manufacturing and Professor of Operations and Management Science

As its name implies, this book focuses on the science of supply chains. It examines the assemblage of people, resources, and activities involved in bringing materials and information together to produce and deliver goods and services to customers, and offers a framework for understanding how these complex systems work.

* * *



Carbon Strategies: *How Leading Companies Are Reducing Their Climate Change Footprint*

By Andrew J. Hoffman, Holcim Professor of Sustainable Enterprise and Associate Director of the Frederick A. and Barbara M. Erb Institute for Global Sustainable Enterprise. (Forward by Eileen Claussen, Pew Center on Global Climate Change)

Andrew Hoffman describes steps any business can take to implement practical climate-related policies. He stresses the importance of encouraging beneficial policy development, establishing appropriate levels of internal and external commitment, timing policy implementation, and creating new business opportunities based on climate policy. Case studies drawn from experiences at DuPont, Alcoa, and Shell Group, among other companies, demonstrate these principles in action.

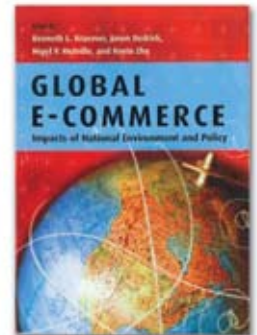
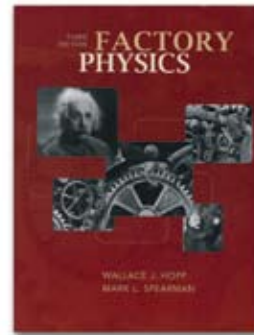
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Factory Physics

By Wallace J. Hopp, Herrick Professor of Manufacturing and Professor of Operations and Management Science, and Mark L. Spearman (Factory Physics Inc.)

This award-winning book outlines the key principles that drive the operating relationships within a factory. The authors assert that understanding these underlying tenets of manufacturing-systems behavior can help improve management practices.

* * *



Global E-Commerce

Edited by Nigel P. Melville, Assistant Professor of Business Information Technology, Kenneth L. Kramer (University of Southern California), Jason Dedrick (University of California-Irvine), and Kevin Zhu (University of California-San Diego)

The editors separate hype from reality in this analysis of the impact of the Internet and e-commerce across firms, industries, and economies. Case studies of eight economies — the United States, Mexico, Brazil, France, Germany, China, Japan, and Taiwan — show that rather than creating a borderless global economy, e-commerce reflects local patterns of business and consumer preference. Its impact, therefore, varies greatly by country. And while e-commerce may improve the efficiency and competitiveness of firms, it also increases the complexity of organizational environments as companies deal with more business partners and face greater challenges from competitors. 

For more information on Ross faculty books and research, visit the Faculty & Research page of the Ross School Web site: www.bus.umich.edu/FacultyResearch/.

Repeat After Me

Lone Repetitive Voice Can Sound Like a Chorus



New research shows that an unpopular opinion can seem

Much like the “squeaky wheel that gets the grease,” a single individual’s opinion, repeated often enough, has nearly as much influence as one expressed by several people, say researchers at the Ross School of Business.

“What we think *others* think greatly influences our own personal thoughts, feelings, and behavior,” says **Stephen Garcia**, adjunct assistant professor of management and organizations. “Obviously, an opinion appears more widely shared when a number of different people express it. But, surprisingly, hearing one person express the same opinion *repeatedly* also leads to the conclusion that it is more widespread.”

In fact, one person expressing the same belief three times is, on average, 90 percent as effective as three individuals stating the same sentiment only once, according to Garcia and Ross School colleague **Norbert Schwarz**, professor of marketing and psychology.

“Our research has important implications for how people estimate collective sentiment in everyday settings,” Schwarz says. “To the degree that our impressions of what others think influence our own

perceptions of reality, our studies can help inform us about the effect of repetition and its consequences.”

In their research, which was published in the *Journal of Personality and Social Psychology*, the two Ross School professors and their co-authors, Kimberlee Weaver of Virginia Tech and Dale Miller of Stanford University, conducted six separate studies with more than 1,000 students at six different universities to measure individuals’ accuracy in identifying group norms and opinions.

In the following Q&A, Garcia reflects on some of their findings.

Dividend: We know it’s more effective to hear the same message repetitively, but were you surprised to find that one voice repeating the same message several times is nearly as effective as three different voices repeating it only once?

Garcia: Yes, that’s quite intriguing. We found that if we ask three members of a group how supportive they are of, say, preserving open space, and each one replies, “I’m very supportive,” we might think the overall group is likewise very supportive. However, we found that when just one individual from a group repeats

his or her support for preserving open space three times, it is nearly as effective in creating the impression that the group as a whole is supportive.

Dividend: How does this differ from the concept of the “squeaky wheel gets the grease?”

Garcia: The “squeaky wheel” model is at the conscious level. We can understand that if someone is spouting off, we want to placate that individual and move on. The repetition effect is actually more subtle than that, which makes it particularly pernicious.

In one experiment, we asked participants to estimate the collective stance of an online community using printouts of Web postings. In one condition, we gave them a single posting and asked them to extrapolate the collective group stance from it. In another condition, we took that same posting, duplicated it three times, and presented it as a “printing error.” The participants who read the triplicate-version “printing error” thought the online community was more in favor of this particular stance than those who read the single posting without any replication.



popular, even though it is held by only one person.

Dividend: You also studied ways in which individuals' prior familiarity with the collective stance of a group can be eroded by an unpopular repetitive voice.

Garcia: In one study, we examined what happened when participants knew the norm of a group beforehand compared to when they did not. We found that participants

“Campaign strategists are definitely attuned to this sort of political tactic. Over time, the power of repetition can chip away at what people actually believe.”

— Stephen Garcia

who had prior knowledge of a specific group's norm were able to discount the effect of an unpopular repetitive voice *at first*. However, after a delay, those partici-

pants succumbed to the influence of the repetition, which had now become more familiar to them, and changed their beliefs about the collective stance of the group.

Dividend: We are in an election year, which seems tailor-made for this kind of repetitive messaging and manipulation. I'm reminded of how the “Swift Boat” incident affected John Kerry's presidential campaign.


Garcia: Campaign strategists are definitely attuned to this sort of political tactic. Over time, the power of repetition can chip away at what people actually believe. However, a news agency that uses repetition to convey a certain perspective may actually see a decline in its audience if people suspect the agency is disingenuous in its constant reiteration or amplification of certain news stories.

Dividend: Let's switch stance from victim to perpetrator. Can this knowledge be used to influence or manipulate others — a boss, employees, the board of directors — by creating the impression that a single view, voiced repetitively, actually represents the opinions of a collective whole?

Garcia: Yes. It's a sword that cuts both ways, which raises a question of business ethics.

Individuals shouldn't necessarily use this type of tactic in the workplace to achieve their objectives. Imagine you're on a corporate board seeking to hire a CEO. If you repeatedly hear, “We like this candidate, we like this candidate, we like this candidate,” from only one individual, that candidate will probably have a higher likelihood of being considered by the board.

Dividend: That would be fine, if the opinion was, in fact, representative of the entire board. How can we protect ourselves from this pernicious effect you describe?

Garcia: One way to guard against misperception of the group stance is to survey as many people in that group as possible. Do not rely on just one individual's input. If you do have this sense of familiarity, or a sense of how the group feels, you should ask yourself: What is the source of this sentiment? Is it expressed by only one person or many individuals across the entire group? You definitely don't want this repetitive effect to taint your group decision making about an important policy or decision, or anything else that relies on collective sentiment for moving forward. 

Listen to podcast at
www.bus.umich.edu/garcia.



Ross PhD Program Receives High Ranking

The Ross School's Doctoral Studies Program scored top marks on many fronts among graduate programs at the University of Michigan, according to a review by the Horace H. Rackham School of Graduate Studies.

In particular, Ross had the highest rate of academic placement for new PhDs compared to other doctoral programs. In the past five years, the school placed 92 percent of its graduates in tenure-track faculty positions at top universities in America, including Harvard University, University of Chicago, and Georgetown University, and at prominent universities abroad.

"Rackham's report on the Ross PhD program is overwhelmingly positive, and confirms what those of us working with the program already know," says **Chris Gale**, assistant director of the Doctoral Studies Program. "We admit students of the

highest caliber. We train them well, and when they complete the program, they take tenure-track positions at institutions where they can shape the course of business education in the U.S. and around the world."

The Rackham Graduate School review, released in February, examined various aspects of the Ross Doctoral Studies Program, including student diversity, completion rate, and graduate placement. Current and past PhD students were surveyed during the review process.

"The Rackham report sends a very strong signal about the quality of the Ross PhD program to potential students, who may not be very well-equipped to assess a doctoral program's strengths," says **Kathleen Sutcliffe**, associate dean for faculty development and research.

Results show the Ross program is highly selective, with only seven percent

of applicants admitted over the past five years. Another strong point is the diversity of Ross PhD candidates, half of whom are international students and one-third are women; among domestic students, nine percent come from under-represented minority groups.

The Rackham report also recognizes the Ross program's strong engagement of PhD students in research activities (see related stories on doctoral output). More than half of the students surveyed in the past 10 years had at least one paper accepted for publication while they were enrolled in the program. Many also reported making conference presentations based on research done at the Ross School.

In addition to developing intellectual capital at the PhD level, Ross offers an "outstanding teacher development program," according to the Rackham review,

Is it Good to be Bad?

Doctoral Candidate Finds Stocks of "Bad" Companies Often Outperform Those of "Good" Ones

Reputable companies aren't always the best places to invest, warns **Deniz Anginer**, a doctoral candidate in finance at the Ross School. His recent research reveals that the stocks of "admired" companies have yielded lower returns, on average, than those of "despised" companies over the past 25 years.

Anginer and his co-researchers, Meir Statman of Santa Clara University and Kenneth Fisher of Fisher Investments Inc., found that the mean annualized return of portfolios containing despised companies' stocks was 17.5 percent — nearly two percentage points higher than portfolios with admired companies' stocks. When adjustments were made for differences favoring firms in higher-scoring industries, the margin was slightly

greater — about 2.5 percentage points.

"We admire or despise a stock when we hear a company name, whether it's Google or General Motors, before we think about price-to-earnings ratio or sales growth," Anginer says. "Stocks, like houses, cars, watches, and other products, exude affect—good or bad, beautiful or ugly, admired or despised. Investors who were attracted by affect to the stocks of admired companies paid for it with lower returns."

The researchers analyzed the stock performance of 611 firms listed in *Fortune* magazine's Most Admired Companies from 1983 to 2006. Firms in the upper half of the list comprised the admired portfolio (General Electric, Procter & Gamble, McDonald's), while those in the lower half made up the despised portfolio (Amtrak, Sears, Delphi).

Not only did the despised portfolio produce higher stock returns than the admired portfolio, but the returns of the lowest 10 percent ("most despised" companies) beat those of the highest 10 percent ("most admired" companies)



by four percentage points.

Anginer says investors too often associate an admired company's perceived, or actual, quality with the investment value of its stock. Therefore, they may be willing to pay higher stock prices, resulting in higher valuations. Furthermore, admired firms tend to have larger market capitalizations.

In the long run, putting investment money into the stocks of smaller despised firms with lower valuations is often better than investing in big, highly valued companies.

which notes that future instructors receive excellent training, form a strong sense of community, and experience an intellectually stimulating environment.

The Ross doctoral program also has an above-average completion rate, placing in the top 25 percent of the 120 Rackham-affiliated PhD-granting programs at the University. The report places special significance on the fact that men and women, domestic and international students, and majority and minority candidates all completed at the same rate.

“There are many things to applaud about [the Ross] doctoral program,” stated Rackham Dean Janet Weiss and Associate Dean Toni Antonucci in a letter to Ross School Dean **Robert Dolan** and Associate Dean Sutcliffe. “The PhD program in business administration is very strong and reflects the diversity of intellectual areas within the Ross School,” noted Weiss, who also is dean and vice provost for academic affairs.

The Rackham review validates the Ross PhD program’s impressive contribution to the school’s intellectual life, according to Sutcliffe. “It builds excitement among faculty members because students come with new ideas and take us in new directions,” she says. “This is critical for keeping us on the cutting edge.”

Leah Sipher-Mann

“Our results are puzzling,” Anginer says. “The stocks rated highly on investment value are those of large-cap growth companies. Why are such stocks rated highly when the evidence on long-term stock returns indicates they lag small-cap value stocks?”

Although prior research has shown that typical *Fortune* respondents know how to select winning stocks by obtaining private information from industry insiders, Anginer and his co-researchers posed another explanation.

“Our results are inconsistent with the private-information hypothesis,” Anginer says. “Rather, we think that typical *Fortune* respondents are ‘noise’ traders who believe, incorrectly, that good stocks are the stocks of good companies.”

However, the researchers caution that, over certain time periods, admired companies have performed better than despised firms, and that their relative returns may vary considerably from year to year, or even decade to decade.

Bernie DeGroat



To Engage or Estrange: That Is the Question

PhD Candidate Says Work and Play Don’t Mix for Most Americans

It’s true what they say: Business and pleasure really don’t mix — at least not for most Americans, according to a study by researchers at the Ross School of Business. But even though Americans don’t socialize a great deal with colleagues after work, they do enjoy it.

“Compared to their counterparts in other countries, U.S. workers are less likely to extend professional ties into a variety of settings beyond the workplace, even though factors — such as marriage, kids, and amount of time spent working — that typically constrain after-hours social interaction with co-workers have remained constant or diminished,” says **Aleksandra Kacperczyk**, a PhD candidate in the Doctoral Studies Program.

Kacperczyk and her Ross faculty colleagues, **Jeffrey Sanchez-Burks** and **Wayne Baker**, studied data from as early as 1985 on American workers’ habits of interacting with colleagues. The researchers found that only 30 percent of employees have a close confidant at work, down from nearly 50 percent in 1985.

“On the one hand, theories about increasing social isolation in the United States suggest a decline in co-worker interaction and socialization; but, on the other hand, studies documenting the increasing importance of organizational life in American society predict otherwise,” says Sanchez-Burks, assistant professor of management and organizations. “Our analyses reveal a pattern consistent with the line of research on increasing social isolation.”

The researchers examined the connection between emotional energy and co-worker

“multiplexity,” which occurs when employees have both a work and personal relationship with each other. They also conducted a cross-national survey among workers in the U.S., Poland, and India to explore cultural differences and similarities in work/non-work relationships.

Specifically, the researchers looked at four ways that co-worker ties extend beyond the workplace: 1) socializing with a co-worker after hours, excluding company events; 2) inviting a co-worker to a home; 3) spending vacations with a co-worker; and 4) borrowing money from a co-worker.

They found that, on average, U.S. workers spend non-work time with fewer than half of their regular co-workers, compared to 74 percent for Polish workers and 78 percent for Indian workers.

Furthermore, American workers invite 32 percent of their “close” colleagues to their homes, whereas Polish and Indian workers invite 66 percent and 71 percent of “close” colleagues home, respectively. Findings also showed that Americans go on vacation with six percent of their immediate co-workers compared to 25 percent and 45 percent, respectively, for Poles and Indians. Finally, U.S. employees would borrow money, if needed, from 18 percent of their co-workers, as opposed to 46 percent for Polish employees and 58 percent for Indian employees.

The study also revealed that despite Americans’ reluctance to socialize with co-workers after hours, they derive positive emotional energy from the experience when they do get together. “In other words, individuals will choose to interact beyond the workplace only with those who energize them,” says Baker, professor of management and organizations at the Ross School and professor of sociology at the College of Literature, Science, and the Arts.

Bernie DeGroat

Listen to the podcast at www.bus.umich.edu/socialize.

ROBERT VAN ORDER DECONSTRUCTS

The Subprime Crisis

Robert Van Order, adjunct professor of finance, is an expert on real estate markets and mortgage securitization. He has served as chief economist at Freddie Mac, the government-sponsored enterprise chartered by Congress in 1970 to provide liquidity, stability, and affordability to the housing market. *Dividend* recently queried him about pressing questions that will inform his future research.

Dividend: What are you thinking about?

Van Order: I am looking at the subprime crisis and, more broadly, the securitization of the mortgage markets. There's actually much less data than opinions about what's been happening in the markets since 2006.

Dividend: Why is this interesting to you?

Van Order: Well, on the surface, it appears the crisis was caused by loans originated in the last few years and, specifically, by adjustable-rate loans. But the upward rate adjustments are not the main problem, because

a large share of the defaults occurred *before* those adjustments. In light of this, and now with the recent declines in interest rates, proposals to freeze rate increases are not likely to be helpful, and will probably do more harm than good, if enacted. The loans that have performed the poorest were originated by lenders to get fees, sometimes fraudulently, and loan quality suffered greatly. Although it's true that subprime adjustable-rate mortgages seem to have attracted people who default frequently, something more was happening in terms of the way these loans were originated and pushed onto securities investors. Those investors didn't seem to understand the increased risk they were taking. The interesting question is why.

Dividend: What implications do you see for the financial industry?

Van Order: Fallout from the subprime crisis could affect the structure of financial markets. The ability to go straight to the capital market through securitization

has become problematic because many people are having second thoughts and asking, "Do I really understand what's going on?" Home mortgages are not the only products that are structured and securitized. Car loans, commercial real estate, and credit cards are, as well. A number of investors now are worried about structured deals and will start to insist that loan originators keep a greater share of the losses. What they're going to want are credible financial companies that are going to be around and able to take a significant amount of the credit hit.

I'm trying to obtain data on individual home loans so we can model this information. Where were the aberrations? How much of this crisis could have been predicted? How big a factor were rate adjustments? We already have data on mortgage delinquencies and defaults by state, month, and product, so we can tell if the loans were subprime. But if we can procure data on individual loans, we can find out who the lender was and how much the lender mattered. Did this happen systematically by lenders? My conjecture is that it did.

Listen to podcast at
www.bus.umich.edu/vanorder.

FRANCISCO PALOMINO TRACKS

Stock Returns and the Fed

Francisco Palomino, assistant professor of finance, develops economic theories to study the interaction between macroeconomic conditions and the valuation of financial assets. At *Dividend's* request, he described the ways in which he is framing new research with **Erica Li**, assistant professor of finance at Ross.

Dividend: What are you thinking about?

Palomino: Erica Li and I are working on a theoretical framework to understand how the Federal Reserve's monetary policy affects the stock market. How does monetary policy generate differences in stock returns across industries?

Differences in industry characteristics make profits of different industries more or less sensitive to inflation. As a result, and depending on how effective the Fed is in controlling inflation, investors will require extra compensation for holding stocks of industries that are more vulner-

able to inflation. This compensation has to be reflected in differences in expected stock returns across industries.

Different industries may have different exposure to inflation due to different pricing practices. Industries may decide to make more or less frequent adjustments to prices depending on factors such as market competition or product demand. Therefore, the combination of a particular price-setting policy and inflation generates changes in production, profits, and stock values. Since inflation depends on monetary policy, the stock value can be affected by the policy.

Dividend: Why is this interesting to you?

Palomino: Now more than ever we observe financial markets paying close attention to announcements by the Fed. Ben Bernanke is as popular as any Hollywood star. We know stock prices react to policy changes and to indicators suggesting future policy

changes. The question is why stock returns react to these indicators in the way they do and, most important, why stocks of different industries react in different ways. I feel uncomfortable about the fact that such a fundamental question, with important implications for the economy and financial markets, does not have a clear answer. It really motivates me to find one.

Dividend: What implications do you see for industry?

Palomino: Understanding the link between monetary policy and stock returns will allow policymakers to implement welfare-improving initiatives based on information collected from the stock market. The analysis would allow investors to create portfolio strategies that reflect their expectations about future monetary policy. For instance, if an investor is expecting a weaker policy against inflation, he/she can implement a strategy to sell stocks that are more vulnerable to inflation and buy stocks that are less vulnerable. Finally, firms could modify their price-setting policy to increase or decrease the sensitivity of their returns to monetary policy and maximize profits.



“Companies are saying, ‘We knew this was a bad system, but we couldn’t stop ourselves from taking advantage of it. You have to make a rule to stop us from rigging the game — otherwise we just can’t stop ourselves.’”

Thomas Lyon, director of the Frederick A. and Barbara M. Erb Institute for Global Sustainable Enterprise and Dow Professor of Sustainable Science, Technology, and Commerce, on findings of his study on the Department of Energy’s Voluntary Reporting of Greenhouse Gases Program. —*Forbes*, November 13, 2007

“If you ask employees who is responsible for a goal and no one can answer you in 10 seconds, there’s not enough accountability.”

David Ulrich, professor of business administration and director of the Human Resource Executive Program, as quoted from his book *Leadership Brand: Developing Customer-Focused Leaders to Drive Performance and Build Lasting Value*. —*The New York Times*, September 4, 2007

* * *

“The percentage of companies with no women directors has been the same for four years now. It’s discouraging to us in the Ross School because we’ve been producing good female talent for years, and you’d think they should start showing up on boards.”

Sue Ashford, associate dean of leadership programming and the Executive MBA Program, and the Michael and Susan Jandernoa Professor of Management and Organizations, on results of the 2007 Michigan Women’s Leadership Index examining the presence of women executives in the largest 100 publicly held companies in Michigan. —*Crain’s Detroit Business*, October 8, 2007

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“The Ford family is like a wounded animal. The company is in their blood. Some of them would tell you that their blood is Ford-blue.”

David Lewis, professor emeritus of business history, on the complex Ford family dynasty and its links to the auto giant’s future. —*FinancialTimes.com*, October 29, 2007

“There is a huge difference between Asia and the U.S. when it comes to top-executive compensation. Rarely in Asia, especially Japan and Korea, do the CEOs get paid more than a million dollars.”

E. Han Kim, the Fred M. Taylor Professor of Business Administration; director of the Mitsui Life Financial Research Center and the East Asia Management Development Center; and professor of finance and international business, on the United Auto Workers’ disapproval of auto executives’ salaries. —*USA Today*, October 10, 2007

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“Chief information officers are going to step up or they’re going to step down. They cannot be where they are.”

M.S. Krishnan, a Michael R. and Mary Kay Hallman Fellow and chair of business information technology, on the waning influence of CIOs in business. —*Information Week*, November 19, 2007

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“The clock is ticking very loudly. We have to be careful that [Michigan’s venture-capital initiative] is not too little, too late.”

Thomas Porter, executive-in-residence at the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies and adjunct lecturer of entrepreneurial studies, on Michigan’s imminent need to attract venture capital. —*Grand Rapids Press*, November 19, 2007

* * *

“Being a president is sort of the utmost public policy one could have. It kind of naturally dovetails the kind of professional work I do.”

Jan Svejnar, the Everett E. Berg Professor of Business Administration, professor of public policy, professor of economics, and director of the International Policy Center, on his 2008 bid for presidency of the Czech Republic. —*The Associated Press*, February 3, 2008

* * *

“No business plan has ever survived contact with the marketplace.”

Thomas Kinneer, the Eugene Applebaum Professor of Entrepreneurial Studies; professor of marketing; and executive director of the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies, on entrepreneurs obsessed with perfecting their written business plans. —*The Wall Street Journal*, February 17, 2008

* * *

“There is a subtle line between having enough money to do what you have to do versus having enough money to do anything you want to do.”

Amy Dittmar, assistant professor of finance, on corporations’ growing savings accounts and the potential lack of scrutiny on how they spend their money. —*The New York Times*, March 4, 2008

* * *

“It could have been a massive crisis if [the Fed] didn’t do anything. Now, investors know the Fed is alert to the situation.”

Paolo Pasquariello, assistant professor of finance, on the Federal Reserve’s March 2008 intervention into Bear Stearns’ financial meltdown. —*BusinessWeek.com*, March 18, 2008

* * *

“Fixing China’s image is overwhelming damage control. You are not going to turn around the image of China in any fundamental way before the Olympics.”

Kenneth Lieberthal, William Davidson Professor of Business Administration; Arthur F. Thurnau Professor of Political Science; Distinguished Fellow of the William Davidson Institute, on protests surrounding the 2008 Olympics. —*Forbes*, April 9, 2008



Kick Out the Jams

FUN AND GAMES WITH GUITAR HERO'S GLOBAL BRAND MANAGER

Doug McCracken, MBA '04, isn't a rock star. He just gets paid to make you feel like one. As Activision Inc.'s global brand manager for the billion-dollar video game franchise *Guitar Hero*, McCracken is driving a marketing juggernaut fueled by one primal premise: Everyone wants to be a rock star. And it's a premise that is shredding the competition in the fastest-expanding industry in home entertainment today.

"I've been a 'gamer' my whole life, and it's great to be working on products that I'm really passionate about," says McCracken, who joined Santa Monica, California-based Activision in August 2004. "The video game market is pretty attractive right now, and I don't see the growth slowing anytime soon."

Pretty attractive, indeed: Annual video game sales rose 34 percent in the U.S. to \$8.64 billion in 2007, according to the market research company NDP Group Inc. (*The Wall Street Journal*, February 2008). Over the same period, box office revenue inched up a mere 4.0 percent while home video sales actually declined by 3.2 percent.

fiscal third-quarter sales jump 80 percent to \$1.48 billion from a year earlier.

There are any number of reasons why *Guitar Hero* took center stage with the latest title in its already respectable franchise. Is it the culture's obsession with fame and celebrity? How about the genre-bending marriage of hardware and software? It could be *GHIII*'s social appeal. Or the ease of handling the controller, which is shaped like a guitar. One can't deny the quality of the extensive "playlist," which presents a surprisingly tasteful blend of classic hard rock that spans generations. And then there's the online component of bonus downloads and peer-to-peer

I'm with the Band

For the uninitiated, the various games in the *Guitar Hero* franchise cast the player in the role of lead guitarist in a rock band. Holding a Gibson-shaped controller with color-coded buttons, players simulate riffing through classic rock tunes as a dizzying array of visuals zooms across the screen. *GHIII* presents tracks by such artists as Guns N' Roses, Rage Against the Machine, the Sex Pistols, the Rolling Stones, and the rising star DragonForce, among others.

While traditional "shooter" games award points based on death tolls and damage wrought, with rewards in the form of new



And if video games are the place to be in home entertainment, Activision is the place to be in video games. The company recently unseated top rival Electronic Arts to peak at number one in sales for North America in 2007. In a corporate release touting the latest stats, Activision Chairman/CEO Bobby Kotick (who also attended Michigan) pointed to *Guitar Hero III: Legends of Rock* as one of two Activision titles that helped the company's

online play, tournaments, and contests.

The avenues for global marketing seem infinite, pending the limits of one's imagination, access to partners, and capacity to execute.

"There are so many different elements that make each release unique — and that makes my job really interesting," says McCracken. Not the least of which is getting a free pass to play video games at work, all in the name of market research. It's a pretty sweet deal and he knows it.

weapons and ammunition, the *GH* series is more benign. The battlefield is a concert stage and one can earn groupies based on quality of performance. Songs range in complexity, and levels run from "easy" to "hard" and ultimately peak at "expert." Pose with the guitar in a classic rock star stance to activate a "special attack." One's reward for reaching the top in *GHIII*? A battle royale against ex-Guns N' Roses guitar legend Slash, who actually appears as an animated character. If you beat him,

you “join him” on stage to play his former band’s breakthrough hit “Welcome to the Jungle.”

Power Chord

Whether appealing to fans of rock music, role playing, or just plain competition, the *GH* series definitely has struck a power chord in the millennial *zeitgeist*.

“Our fans are incredibly passionate,” McCracken says, “and they include about 30 percent women, which is pretty extraordinary in the game business.” The franchise also spans generations, captivating kids via novel gameplay and attracting

2005 debut.

“Activision typically releases products on multiple platforms depending on our consumer target,” says McCracken. “This allows us to maximize our reach, but is also a challenge from a game development perspective because the game has to be built on each platform separately.”

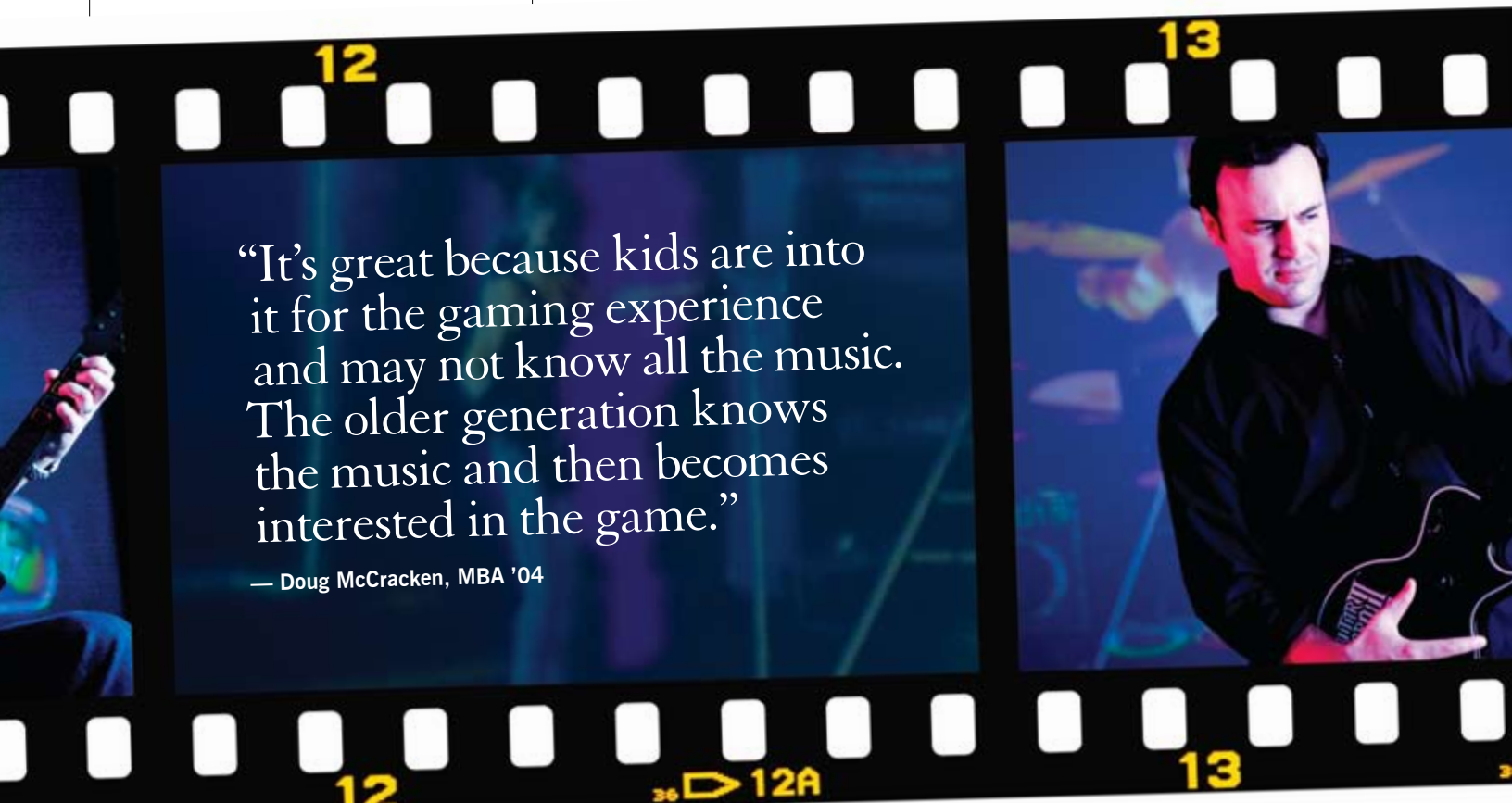
Navigating the supply chain adds a twist too, he says. With all hardware manufactured in China, production has to ramp up several months ahead of launch.

“Predicting unit sales some six to nine months down the line is a real test for us,” McCracken says. “It requires rigorous

outscored the supply in some outlets. In addition, some discs were produced in mono vs. stereo and had to be recalled. “You have to manage consumers’ expectations too,” McCracken says. “And they are very passionate about the game.”

Off The Charts

That passion is evident nearly everywhere you look. Search for the game on the popular Web site YouTube, and you’ll find video clips of *GHIII* aficionados that have been viewed more than 6.5 million times. Click through your TV



“It’s great because kids are into it for the gaming experience and may not know all the music. The older generation knows the music and then becomes interested in the game.”

— Doug McCracken, MBA '04

adults with a hard rock set list that harks back some three decades. Releasing the title across four gaming platforms — PlayStation 2 and 3 (PS2 and PS3), Xbox 360, and Wii consoles — also ensures that virtually anybody can plug in and start jamming.

Casting such a wide consumer net helped *Guitar Hero* set an industry record at North American retail stores last year when its franchise surpassed \$1 billion in sales and 14 million units sold since its

forecasting, which is tough to do that far out, given ever-evolving market dynamics. We first need an understanding of how each platform will perform, and then we forecast sales of the game on each console.”

On top of all that: capacity constraints. “You have the lag in shipping from China to the U.S. or Europe, and you don’t have the luxury of just-in-time inventory that you’d like to have,” McCracken says. The 2007 holiday season tested fans’ patience and loyalty as Wii-compatible *GHIII*

lineup and you’ll catch the franchise on *The Today Show*, *Ellen DeGeneres*, *My Name Is Earl*, *Gossip Girl*, and *The Simpsons*. *South Park* devoted an entire episode to the game. And the most telling evidence of total market penetration? In March 2008, *The Wall Street Journal* columnist Scott Patterson actually cited the ubiquitous title in the lead sentence of a piece on Fed Chairman Ben Bernanke.

“One of our key strategies was to reach out across different genres of entertainment to integrate and cross-promote the

franchise through product placement in TV and film," says McCracken. "As a result, we've been able to penetrate mass entertainment further than any other game to date."

That's good news for record labels, looking to energize their own lagging sales by hooking up with such a coveted partner. Nielsen Soundscan data, which measures airplay and music sales, reports digital sales on Cheap Trick's "Surrender" nearly tripled from 2006 to 2007; Kiss' "Strutter" went from 11,000 to 63,000 sold; and the Pretenders' "Tattooed Love Boys" rose from 5,000 to 16,000 (*USA Today*, February 2008). All three songs were featured on the second *GH* release.

"As this proposition has taken off, the music industry has really embraced *Guitar Hero*. We're always working on new and innovative ways to integrate music into the game and align with the artists and labels."

He cites deals with Web partners like iTunes to offer online downloads to one demographic, while simultaneously partnering with Interscope Records to release a *Guitar Hero* soundtrack to another. Combination in-store/online promotions tied to the Super Bowl encouraged sports fans to forego the highly touted halftime show to enter an Internet tournament. Such opportunities are a good time to promote after-market sales of new guitar

really strong partnership with him," McCracken says. "He promoted the game on talk shows; he came to our launch event; he was in our TV commercial; and he appears on our packaging. He really joined forces with us because of his passion for the game and what it stands for."

Perhaps McCracken's greatest thrill to date was being part of a movement that brought '70s icons the Sex Pistols back into the recording studio to remake their classic tune "Anarchy in the U.K." The original master (circa 1977) had gone missing (par for the course, if you know the band's history), so Activision executives proposed a new session. Intrigued,



Perhaps the most significant act to really pop at the online checkout: the heretofore little-known DragonForce, an underground (and some would say "non-commercial") speed metal outfit whose song "Through the Fire and the Flames" is arguably the most challenging track to master in *GHIII*. Digital sales on the download rose from fewer than 2,000 weekly to a high of 37,825 the week after Christmas 2007. Overall sales of the band's album have passed 230,000, which most industry insiders credit directly to *GHIII* consumers.

"There are certainly some interesting correlations between music sales and the tracks in *Guitar Hero*," says McCracken.

models, customized faceplates, straps, and other *Guitar Hero* accessories.

"We've also been working with bands and record companies to time promotions that tie in with tours, downloads, and album releases," McCracken says. "When a band like My Chemical Romance has content in our game, they go on stage and talk to their fans about it."

Rock 'n' Rolling Out

Leveraging participating talent like the Sex Pistols, Slash, and Tom Morello (of Rage Against the Machine) has been a jackpot strategy for McCracken and his team.

"Slash was so excited to be a character in the game that we were able to build a

the band agreed. Activision got them in the studio, shot some video interviews, and hooked up with an alternative rock station to book and cross-promote the Pistols' first-ever club date in L.A. The band then went on to play several *Guitar Hero*-sponsored shows in the U.K.

"I used to have a punk rock radio show in college, so working with the groundbreaking band of the punk era was amazing for me," McCracken says. And now, a whole new generation of gamers has been exposed to the iconic group.

"It's great because kids are into it for the gaming experience and may not know all the music. The older generation knows the music and then becomes interested in the game," says McCracken. "The range of

music creates a cross-generation connection between kids and their families, which is part of its appeal. It's important for us to communicate that in our marketing, because it's a very interactive and social experience that joins people together."

In the Beginning

McCracken and his co-workers know that first hand.

"I was a fan of *Guitar Hero* when it was first released by Red Octane," says McCracken of the Northern California-based publisher, which was acquired by Activision in 2006. "A few of us in the office bought *Guitar Hero* very early on, which created a lot of buzz around it at work."

Once Activision acquired Red Octane and rights to the franchise, they set about getting it into more than just their employees' hands. An early partnership with Microsoft to get the product on its Xbox 360 demo kiosks at retail outlets proved fortuitous.

"In addition to traditional TV, online, and print advertising, we have found that 'trial play' is extremely important to convincing consumers to buy *Guitar Hero*," McCracken says. "Putting the guitars into the hands of consumers, particularly in stores when they're ready to make a purchase, was a win-win for us, retail, and Microsoft. And from a consumer perspective, it let them sample before buying, so they knew exactly what they were getting."

Now, the challenge is to keep those consumers engaged for the long haul. "We're always looking at where the industry is going and what consumers are interested in, understanding now that our consumer base is much broader than it has been in the past," McCracken says. "Obviously, we need to stay relevant on the music front. The consumer has asked for more and more music, and we want to make sure that we're providing them with the content they're really excited about."

To that end, Activision released *Guitar Hero Encore: Rocks the 80s* in 2007. Its first release in 2008 is an all-Aerosmith title, featuring an overview of the legendary act's 30-year history, along with avatars of lead singer Steven Tyler and guitarist Joe Perry. *Guitar Hero: Aerosmith* is expected to ship to retail in June. Online forums are buzzing like mad already. Those "passion-

ate fans" McCracken talks about either love the idea or hate it. And they are not shy about sharing their opinions.

The Flip Side

Clearly, a few sour notes are to be expected in the extended sales jam that Activision has been cranking for more than two years. The company has been the subject of more than one legal battle since sales took off. In March, a dispute over a patent claim with guitar partner Gibson grabbed headlines at the same



time *Guitar Hero*'s original developer Harmonix filed a suit alleging unpaid royalties. There are vocal consumers who lament the high price at retail and others who bemoan incompatible hardware.

As the legal team copes with those issues, McCracken and his cohorts focus on marketing the best possible consumer experience. Hoping to replicate its record-breaking success in North America, Activision is looking to build on its growing European base, strongest in the U.K., Spain, Italy, Germany, France, and Sweden. Asia Pacific is a growing market as well.

"To grow the business worldwide, we made an active choice to add international

music into the games by region," says McCracken. "We work directly with the territories to learn what would sell really well locally, and we're looking to add more localized content in the future."

Work-Life Balance

So far, that future is looking pretty bright for Activision, and for McCracken, an amateur guitarist who landed his dream job after embarking on a very specific and self-directed career search.

He'd done some consulting prior to b-school and had gotten a taste of interactive strategy on the corporate side during a first-year internship at a major financial institution. While at Ross, he did an independent study on games, which helped to crystallize his long-term goals.

"I had already been thinking about getting into interactive entertainment, but after my internship, I decided to focus all my efforts on the gaming industry," he says. "I talked about it to everyone I knew. I found that once I knew what I wanted to do, it opened up countless doors and I met a lot of people."

At graduation McCracken had yet to land an offer in interactive entertainment, but he was still in the game. "I had several opportunities in the works," he says. "Over the summer, I got the job at Activision and started in August when everyone else in my class began working."

As marketing positions go, McCracken has had a chance to expand his skills, transcend conventional strategies, and explore partnerships that may not have emerged in other industries. Plus, he's now a formidable threat at *GHIII* and has no problems bringing work home from the office.

"I play on 'hard' pretty consistently, and I can even play some of the lower-tiered songs on 'expert,'" he says. And, like a true gamer, he pushes it one step further and makes sure to share the following: "I've even beaten Slash."

Deborah Holdship

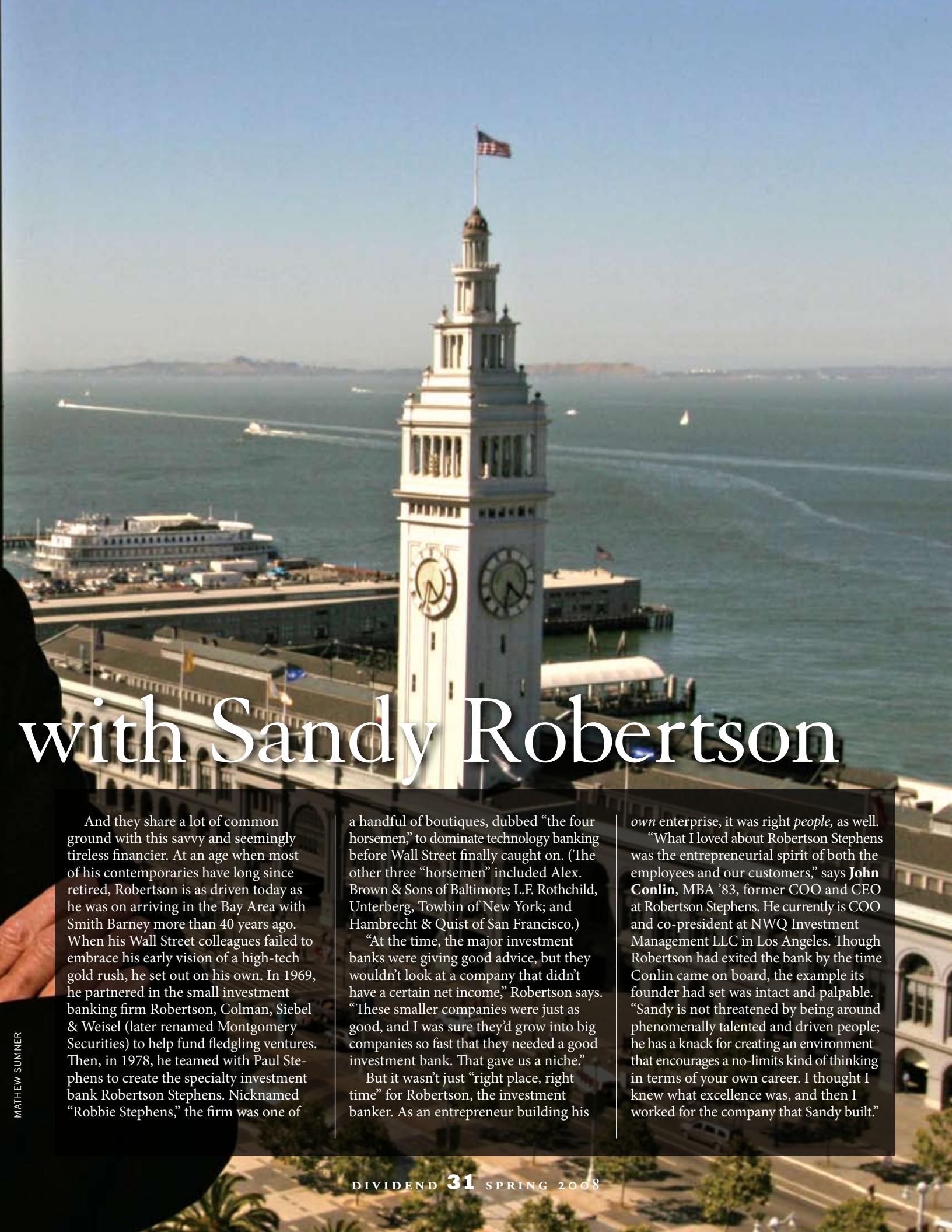
THE MENTOR

Keeping Company

For Sanford “Sandy” Robertson, BBA ’53, MBA ’54, investing in industry is not so much about the companies he builds. It’s more about the company he keeps.

Since landing in Silicon Valley in 1965, this investment banker and high-tech entrepreneur has helped create an entire sector of the American economy. Growth technology companies like Cypress Semiconductor, Sun Microsystems, Seagate, America Online, Lotus, Pixar, Dell Computer, E*Trade, Applied Materials, and Siebel Systems represent a mere fraction of the 500-plus enterprises that Robertson has helped finance over the years. But ask him what is most appealing about the flash-forward nature of Silicon Valley start-ups, and you get a surprisingly old-fashioned answer.

“Often it’s looking at the right people,” says Robertson, pictured here in his San Francisco office. “The right person has already picked the right industry, and is a leader who’s picked the right people to be surrounded by. In the early days, the smaller companies were really interesting, and the entrepreneurs running them were so phenomenal. They are absolutely fascinating people to be around. Some of them are very unusual. Some are challenging to do deals with. They’re driven and smart and intense, but they’re also a lot of fun.”



with Sandy Robertson

And they share a lot of common ground with this savvy and seemingly tireless financier. At an age when most of his contemporaries have long since retired, Robertson is as driven today as he was on arriving in the Bay Area with Smith Barney more than 40 years ago. When his Wall Street colleagues failed to embrace his early vision of a high-tech gold rush, he set out on his own. In 1969, he partnered in the small investment banking firm Robertson, Colman, Siebel & Weisel (later renamed Montgomery Securities) to help fund fledgling ventures. Then, in 1978, he teamed with Paul Stephens to create the specialty investment bank Robertson Stephens. Nicknamed “Robbie Stephens,” the firm was one of

a handful of boutiques, dubbed “the four horsemen,” to dominate technology banking before Wall Street finally caught on. (The other three “horsemen” included Alex. Brown & Sons of Baltimore; L.F. Rothchild, Unterberg, Towbin of New York; and Hambrecht & Quist of San Francisco.)

“At the time, the major investment banks were giving good advice, but they wouldn’t look at a company that didn’t have a certain net income,” Robertson says. “These smaller companies were just as good, and I was sure they’d grow into big companies so fast that they needed a good investment bank. That gave us a niche.”

But it wasn’t just “right place, right time” for Robertson, the investment banker. As an entrepreneur building his

own enterprise, it was right *people*, as well.

“What I loved about Robertson Stephens was the entrepreneurial spirit of both the employees and our customers,” says **John Conlin**, MBA ’83, former COO and CEO at Robertson Stephens. He currently is COO and co-president at NWQ Investment Management LLC in Los Angeles. Though Robertson had exited the bank by the time Conlin came on board, the example its founder had set was intact and palpable. “Sandy is not threatened by being around phenomenally talented and driven people; he has a knack for creating an environment that encourages a no-limits kind of thinking in terms of your own career. I thought I knew what excellence was, and then I worked for the company that Sandy built.”

MATHEW SUMNER

Robertson takes comments like this in stride. Being a mentor comes naturally to him. “I love these young guys,” he says. “I’ve always liked bringing young people along, putting them ahead of where they would be and giving them a jump start. I just made a list the other day of at least 20 [Robertson Stephens] alumni who are all thriving or running different companies.”

Pat Kratus, MBA ’01, director of technology investment banking at UBS Investment Bank in San Francisco, is one of those people. As a favor to a family friend, Robertson had a meeting with the Michigan undergrad—and set him on a life-changing course.

“Meeting Sandy was the driving factor of my decision to go to business school and be a banker,” says Kratus, who was a partner in two investment banking startups before joining UBS. “Whether you’re a college student or the CEO of Genentech, he has the ability to make each person feel equally important. You can see how that helped him drive this incredible network of relationships—and helped companies just getting started to raise capital and grow. That personal touch is definitely a reason why clients and customers were so loyal to him.”

The key, adds NWQ’s Conlin, is sincerity. “Passion is a word that is so overused, but you can tell the frauds from the authentic guys. When you’re starting a business, it’s you. You are it. It’s your ideas. People rely on you for the success or failure of the operation.” Robertson knows what that means, and that’s why he’s accepted, Conlin says.

“I use it to win business all the time,” says Robertson. “If someone from Morgan Stanley is sitting there pitching a piece of business to an entrepreneur to take him public, I can say, ‘Listen, I understand you. I’m an entrepreneur as well as an investment banker.’”

He’s also an information addict, says Kratus. “There is incredible substance behind everything he does. He’s not only the nicest and warmest guy in the room, but probably the smartest.” One couldn’t ask for better qualities in a mentor, especially in the competitive technology sector. Kratus cites a recent company UBS took public, which produces sapphire substrates used in LEDs and wireless devices. When he had trouble locating historical data on the technology, Kratus turned to Robertson for leads.

“It turned out that in the ’70s, Sandy helped raise funds for a company that was using

the same technology for completely different purposes,” he says. “He had the kind of historical input, context, and perspective that I couldn’t find anywhere else. He was able to provide insight on the track record of a company like this—where it had fallen down previously. Sandy was more current on the technology based on what was happening in 1973 than 90 percent of the people who actually invested in the IPO.”

The capacity to analyze a deal from multiple angles has served Robertson well over the years. When the technology sector exploded in the ’90s and Wall Street came to Silicon Valley, boutique banks like Robertson Stephens started to disappear. “We no longer had the market to ourselves,” Robertson says. The firm was bought and sold by a series of large commercial banks before being shut down in 2002. But Robertson had already moved on—and reinvented himself—by that point. In 1998, he founded Francisco Partners, a private equity, leveraged buyout firm with \$5 billion under management.

“I thought I knew what excellence was, and then I worked for the company that Sandy built.”

— **John Conlin, MBA ’83**

“I like to say we’re buying back the companies we took public, but I think we’ve only done that once,” Robertson says. “Private equity is a lot more interesting today, and the universe of opportunities at the moment is enormous.”

The benefit of maximizing those opportunities hit close to home recently when Robertson underwent double knee surgery. While in the hospital, he took note of several familiar logos surrounding him. “We invested in quite a bit of medical technology over the years,” he says, “and I saw all sorts of machines from companies we’d financed. I actually got some crutches delivered by a company that was our first leveraged buyout.”

In fact, on checking into the hospital, Robertson says he was wearing a jacket with the logo of biotech firm Pain Therapeutics, in which he is a private investor and board member. The company has developed a mechanism to deliver the painkiller Oxycontin in a form that can’t be concentrated

or abused. “They had me on Oxycontin for about a week, and I was thinking, ‘Aha, we’re going to improve this product.’ It’s a very nice feeling to see the impact we’ve had on the economy and healthcare.”

The economic cause and effect Robertson has brought to bear on Silicon Valley (and the American economy) notwithstanding, it is the personal cause and effect that resonates most in the Ross community. In addition to furthering the professional output of Ross alumni, Robertson also contributes to the scholarly output of the school’s faculty. He endowed the Sanford R. Robertson Assistant Professor in Business Administration, a one-year named professorship that went to Robert Dittmar in 2008. Dittmar is an assistant professor of finance and a leading expert in econometric methodology.

For practitioners like Conlin, trading on Robertson’s legacy has proved essential in coping with the recent meltdown in financial markets. “People who can lead their companies through these tough times are very much in demand,” he says. “I’d say my training at Robertson Stephens is invaluable to what I do now at NWQ. I owe a lot of who I am as a businessman and how I do things to Sandy: what he built, what he exposed me to, and all the super-talented people I got to work with. To me, Sandy is an example of someone who’s found the passion in his life and pursued it.”

Robertson says, “I’ve been very blessed that avocation and vocation have coincided for me. This business has been so exciting that it really makes you want to get up in the morning.”

But what of the tough times, the stresses that keep him up at night? “I’ve always been able to sleep,” he says, recalling a devastating fraud that nearly crippled his early foray into investment banking. “I immediately went to sleep that evening. I wanted to be up and fresh to fight the battle the next morning.”

He cites the adage that the harder you work, the luckier you get; and if that’s the case, Sandy Robertson is one lucky man. Speaking from his Bay Area home in the last days of his post-operative recovery, it is clear he is ready to get back in the game and push that luck even further.

“It’s not work if you love what you’re doing,” he says, pulling his Blackberry away from the phone to diffuse the feedback. “I’m so frustrated here, trading e-mails with my partner all morning. I can’t wait to get back to work.” ☑

Deborah Holdship



Gifts in Action

Professors Bill Lovejoy and Wally Hopp know as much about operations as anyone in the world. Now they are applying their expertise close to home at the University of Michigan Hospital.

Collaborating with colleagues at the University of Michigan Health System and the College of Engineering, they are looking for innovative ways to reduce the cost and improve the quality of healthcare. Their work helps the University of Michigan be among the leaders and best in healthcare technology and management.

Bill and Wally integrate this vital effort into their research and teaching. That's what we call leading in thought and action. That's the kind of groundbreaking and meaningful activity that gifts to the Ross School support.

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MICHIGAN
ROSS SCHOOL OF BUSINESS

THE ADVENTURER

From Astronaut to Executive: Making the Case for Space

“I wouldn’t characterize myself as a thrill seeker.”

—Don McMonagle, EMBA '03

Imagine the fun a self-assessment expert could have analyzing these words from former astronaut and retired U.S. Air Force Colonel **Don McMonagle**, EMBA '03. He’s taken to the skies in 26 different kinds of planes, performed air-combat exercises at Mach 1, and flown low altitudes at supersonic speed. And please note the three space flights, 605 hours in orbit, and space shuttle mission during which he piloted the STS-54 aboard the Endeavour.

When you put it that way, he says, “I certainly do like to explore and challenge myself.”

McMonagle’s current challenge keeps him planted firmly on the ground, but with a focus ever-trained on space exploration. As Raytheon’s vice president for NASA programs, he brings unparalleled expertise to the job of pitching to his former employer.

“As a former customer of the aerospace industry, I had a limited understanding of what drove decision making in the business that provided support to me,” McMonagle says. “Now that I’m on the industry side, I see that providing value to the customer is very much a business-related computation. It’s a multifaceted equation that covers the full spectrum of resources, value streams, supply chains, comparable advantages, and competitive assessments. And knowing what NASA wants is value I can bring to my colleagues who are helping me make these decisions.”

In the following Q&A, McMonagle discusses how his experiences have impacted his strategy at Raytheon.

Dividend: How has your Ross MBA degree helped you transition from aerospace-industry customer to supplier?

McMonagle: I feel privileged to perform in the business community at this level. Now that I have NASA stamped on my forehead once again, my objective is to bring the value of Raytheon to the nation’s exploration programs. I believe that is a very noble challenge. At Raytheon, we are constantly striving to bring diversity to the table and to take innovative technologies off the shelf and integrate them in new ways to satisfy customers. I’m also looking at NASA solicitations and building proposals, assessing the competitive environment, and finding out what the price is to win (contracts). All these activities — negotiating, approaching partners, and teaming in supply chain — are directly applicable to courses I had at Ross.

Dividend: Specifically, what value do you think Raytheon can bring to NASA?

McMonagle: We build several network-centric systems that allow missiles and space sensors to “talk” through communication networks and to deliver information to facilitate guidance, navigation, and control. The missiles we build in Raytheon Missile Systems have to be able to find, and then guide themselves to, a target with tremendous precision. That precision is similar to the kind a lunar lander requires to set down exactly at the edge of a crater on the moon. Creating networks of communication, building mission systems, and integrating these within larger platforms to make the entire system work as one integrated unit — that’s a core competence within Raytheon. And these are the kinds of things NASA will need for their lunar architecture as they continue to explore.

Dividend: How do you deal with the long lead time required for the products Raytheon develops?

McMonagle: That’s a continuous challenge. It affects everything from human resources to supply chain. It also extends to building project-management skills and developing the experience to be able to direct these kinds of programs over the long haul. To NASA’s credit, they’re encouraging industry to shorten those cycle times. Raytheon is absolutely committed to accomplishing that, and there are many examples of where we’ve already done it.

Dividend: As an Air Force colonel, you logged more than 5,000 hours in flight. Do you have a favorite plane?

McMonagle: I’d have to say that air combat in an F15 or F16 is certainly amazing. Both airplanes are absolutely magnificent. Each has its strengths. One is a Maserati and the other a Porsche. Doing air combat at Mach 1 and flying supersonic at low altitudes are things you don’t forget.

Dividend: I know you’ve been asked this question before, but what is it like to be launched into outer space?

McMonagle: The launch is an amazing transition from being earthbound in a rocket vehicle sitting on a launch pad to being 80 miles above the Earth going 25 times the speed of sound, just eight minutes and 42 seconds later. Without being flip, the transition to weightlessness is miserable, fascinating, and magnificent all at once. There are some fluid shifts in your body, and there’s the potential for some “adaptation syndrome,” which effectively is motion sickness. Not everybody feels ill, but initially everyone feels somewhat uncoordinated in an alien environment. Eventually, you get used to the fact that it’s almost effortless to move around. You can tap on a wall, do a flip, and float to the other side of the vehicle. And it doesn’t matter if you’re right side up or upside down. The only thing that defines which way is up is the direction of the letters on the wall.



Dividend: It must be challenging to undergo such a life-altering experience while having to perform incredibly complex work.

McMonagle: Most astronauts feel a very strong sense of responsibility to execute the mission they've been put in space to do, at significant expense to the American people. The way to be successful is through training and education. By the time I got into space, I had spent 500 hours in simulation practicing exactly what I was going to do. And my crews prepared anywhere from nine to 18 months to execute each specific mission. If you have a passion and receive excellent training related to that passion, you have enough wisdom not to overextend your capabilities. But it's also important to push the extent of your capabilities. In this way, you learn rapidly and develop the judgment to stay out of trouble and make the right choices at the right time.

Dividend: How about those moments when you had a chance to think about being in space?

McMonagle: My first impression of seeing the Earth from space brought me

back to fourth grade when I saw pictures taken by John Glenn. The Earth's horizon really does look curved from space. That was a remarkable revelation. At the end of the day, you look out the window and see that you're rotating around the Earth once every 88 minutes. You're passing over a new continent every 15 minutes. You're seeing an entire seaboard at once. You pinch yourself and say, "Wow, how did I ever get here?" What a fantastic feeling. After seeing the edge of the atmosphere and how thin it is around the planet, I began to perceive Earth not as this massive body in space, but rather as a small space craft that just happens to have six billion people on it. And we have limited air, limited energy, limited water, and limited fuel. The space shuttle has all the same constraints; it just happens to be staffed by fewer people.

Dividend: What can be done to motivate kids to pursue careers in the sciences?

McMonagle: There's a commitment at Raytheon, from the CEO down, to the knowledge that this nation needs to produce the next generation of scientists and engineers. We have a program called Math

"The Earth's horizon really does look curved from space. That was a remarkable revelation," says McMonagle.

Moves U, and we are constantly visiting schools and public forums to offer materials and do coaching. We bring students into the factory to give them an interactive experience. About once a month, I talk to some group about how important it is to study math and science, not only for the future health of our nation but for their own benefit and fulfilling careers.

Dividend: Speaking of school, you recently returned to your high school for a special honor.

McMonagle: In September I had the pleasure of going to Flint where they named my high school after me. It's now an elementary school. The entire school district, from kindergarten through 12th grade, attended this assembly. I was expected to keep them enthralled for 45 minutes with what I had to say. Although they turned out to be a great audience, this was one of the most challenging speeches of my life. It terrified me. ☑

Deborah Holdship

THE ATHLETE

Flashback with a Halfback:
Scoring Big On and Off the Field

In the history of Michigan football, one extraordinary call by the 1968 team still evokes passion in the player who wore No. 40 at the time. Four decades have passed since offensive halfback **Ron Johnson**, BBA '69, was voted the Wolverines' first African-American football team captain. But no amount of time can diminish the rush he feels when flashing back to that pivotal event.

"It's the greatest honor I've ever had in my life," says Johnson, a successful entrepreneur and All-American, who still holds the Wolverines' record for most yards rushed in a single game (347 yards against Wisconsin). "As team captain, I was always the first player on the field. You can imagine running out of the tunnel with 100,000 people standing up and cheering. There is nothing in my life that has competed with that experience. Unbelievable."

For Johnson, camaraderie and exuberance on the football field created a stark contrast to the social and political turmoil of the late-1960s. Anti-war protests erupted on campus, and the 1967 Detroit riots dominated local headlines, but the Wolverines experienced a unique brotherhood that contrasted with the discord all around them.

"I started feeling a change of spirit, where the color of your skin didn't matter as much anymore," says Johnson. "We were teammates, and we were all together. I tell you, it was the best four years of my life."

Johnson graduated to a seven-year career in the National Football League, where he was a first-round draft pick for the Cleveland Browns, and later joined the New York Giants, for which he was named the team's most valuable player. He enjoyed a successful Wall Street career, launched while he was still playing for the Giants, and then founded Rackson Corp., a Totowa, New Jersey, firm that owns 24 Kentucky Fried Chicken franchises in three states, including Michigan.

Johnson decided to be his own boss after watching his enterprising father transition

from truck driver to trucking-company owner in Detroit. "At that time, franchises were the path to becoming an entrepreneur," he says. "And that was the way for me to get into my own business."

His later career path might have taken a completely different turn, had Johnson listened to the advice of college recruiters in the mid-1960s. At the time, they were more interested in his athletic prowess than his academic record in high school. Few seemed to care that he'd already conquered calculus and had dreams beyond the gridiron. It was the Wolverines who made the life-changing offer that set him on his current course.

"I was recruited by 63 schools, and many told me I needed to go into physical education," Johnson says. "[Wolverines football coach] Bump Elliott smiled when I told him I wanted to go to business school and said, 'That's wonderful. Why don't we go over there, and I'll introduce you to the dean right now.' That's why I chose Michigan."

Johnson's Michigan ties remain strong, and he and wife Karen have endowed a scholarship fund at the Ross School of Business. College football also continues to play a major role in this executive's life. He is a board member of the College Football Hall of Fame and the National Football Foundation, where he also is former chairman. Taking a cue from his college coach, Johnson encourages scholastic excellence in student athletes through the foundation's Play it Smart program, which teams youths with academic coaches at nearly 150 high schools nationwide. In addition, Johnson and other former Giants players work as volunteers with Minority Athletes Networking, which mentors young athletes in New York and New Jersey.



Wolverines captain Ron Johnson, BBA '69, rushed a record-breaking 347 yards in this 1968 game against Wisconsin. Photo courtesy of U-M Athletics

At board meetings, annual galas, and outreach events, Johnson often crosses paths with former teammates — and, yes, rivals, including one-time nemesis Leroy Keyes, formerly of the Philadelphia Eagles and Kansas City Chiefs. In 1987, Keyes was voted Purdue's all-time greatest player. "Leroy was the best athlete of our class," Johnson says. "He could do anything. The only time we ever saw each other was as opponents on the football field, and we were probably calling each other bad names. And now, many years later, I have the opportunity to spend time with him. There's also Willie Lanier [formerly with the Kansas City Chiefs], a linebacker who used to kill me all the time. He's on our board now, and I always tease him about the way he beat up on me."

One rivalry is tough to laugh off, though, even 40 years after the fact. In talking about the Wolverines' devastating loss to Ohio State (50 to 14) in 1968, Johnson shifts seamlessly into present tense. "There's no way they should be able to score 50 points against us," he says. "We're a better team than that." ❑

Deborah Holdship

THE ENTREPRENEUR

Taking Charge: MBA Gets a Jolt from Battery Business

Timing is everything. That's what serial entrepreneur **Jeff Depew**, MBA '81, keeps telling himself. Actually, it's what he keeps telling his wife.

"I tend to be an idea generator, and it's always been, 'Where are the big challenges, and what can I tackle next?'" says Depew, a 12-year veteran of General Electric Company's management team under former CEO Jack Welch. Today Depew calls his own shots in a start-up battery business. "It's addictive," he says of the rush associated with chasing a new venture. "I guess I'm an adrenaline junkie."

As addictions go, adrenaline is a good one to have. An insatiable curiosity for the new and different has led Depew to take chances on everything from knowledge-management software to global-positioning systems and motion-sensing devices. He's explored such diverse ventures as an e-destination site for baby boomers, a platform for interactive video, and a cell phone technology designed to provide real-time traffic reports.

"The trick is to get the timing right," he points out. "My wife keeps telling me, 'You're always five years ahead. Would you please get one that's spot on?'"

Depew's latest venture into advanced lithium-ion technology could be that one. Lion Cells, a Silicon Valley start-up, promises a cell combination that delivers more power — and more energy *at* power — than any other cell on the market.

"Typically, in a [lithium-ion cell] you get a trade-off between energy and power," says Depew, Lion Cells' founder and chief executive. "In a laptop, for instance, it's all about energy and run time. In a power tool, it's all about the power, and run time is not as important. So you trade off one for the other. What we're able to do is shift the proverbial curve 'up and to the right' to get both more power and more energy — at a given level of power — for a longer period of time."

The proprietary "secret sauce" that differentiates Lion's cell from its

competition enables significant performance advantages across the primary market drivers, Depew says. This includes power delivery, energy density, cycle life, charge times, and safety.

Early this year, Lion Cells completed its series B round of financing, signed a pact with an assembly partner in China, and ramped up production with the goal of initiating sales in 2009. In late January, the firm moved from a 6,000-square-foot space to a 36,000-square-foot pilot facility in Menlo Park, California, and Depew says he expects to double the current 19-person staff by year's end. This year, Lion Cells also will host a team of Ross MBAs who will further assess strategic entries into the market as part of a Multi-disciplinary Action Project assignment.

"I guess I'm an adrenaline junkie."

—Jeff Depew, MBA '81

The odds on this latest foray seem to have been in Depew's favor ever since he discovered the advanced lithium-ion technology on the shelf at Stanford Research Institute (SRI). He'd been brought into SRI by a consultant who needed assistance in evaluating the commercial potential of various ventures in different stages of development.

"This was the one that made the most sense to me," Depew says.

He wasn't alone. As Depew assembled a team to perform due diligence on the concept, he drew a former Energizer chief scientist out of retirement to join the group full-time. "He's like the dean of lithium ion," Depew says. "He's 76 years old, has 19 patents, and commutes [to Silicon Valley] from Cleveland each week."



Jeff Depew, MBA '81, checks in with a Lion Cells technician.

The current business plan focuses on the power-tools market where Lion Cells hopes to enable such new applications as lightweight cordless tools that perform as well as their corded counterparts. In addition, the new cell is an eco-friendly alternative to the existing nickel cadmium (NiCd) variety used in most power tools. Though powerful, the NiCd battery contains a known carcinogen, which limits its future payoff in a game increasingly focused on global environmental sustainability.

"In Europe and Japan, there are now regulations basically to ban NiCd batteries once a replacement is available," says Depew, noting that Lion Cells is poised to hedge its bets on that near-term market potential. "Our expectation is that we can do our bit for energy independence, help to clean up the environment a bit, and deliver a nice return to our employees and shareholders."

Few can argue with that goal. And there's no better time than the present. ☑

Deborah Holdship



CARY LIAO

THE TRAILBLAZER

Federal Express: Overnight Success Didn't Come Easy

BY ROGER FROCK, MBA '59

It seems FedEx has always been there, poised and ready to respond to our most urgent needs. But few people know of its tumultuous, and nearly disastrous, launch in 1973. In *Changing How the World Does Business: FedEx's Incredible Journey to Success*, **Roger Frock**, MBA '59, chronicles the dramatic last-minute saves and turnarounds engineered at the company from its inception to the present. From his unique vantage point as the overnight shipper's first general manager and chief operating officer, Frock reveals the remarkable details of how FedEx founder Fred Smith and his team endured legal, financial, and operational crises that threatened the company's survival—and, in the end, created an entirely new business enterprise. Today, FedEx generates annual revenues of \$30 billion and ships nearly six million packages daily to 200 countries. The following excerpt recounts the company's tenuous launch 35 years ago and its subsequent, and truly amazing, comeback.

Our major concern on launch day — March 12, 1973 — was the limited capacity of our small fleet. The discounted reports from the sales staff still indicated we could expect between 300 and 450 packages. Fred was especially worried that we wouldn't have enough capacity to handle all the packages and that we would disappoint the customers. In addition, (the investment banking firm) White, Wield, and Co. was coming to Memphis to observe the first night's operations. The private-placement offering was taking much longer than expected, and any hint of service failures would be disastrous.

At least we had a contingency plan: If we had a higher volume than expected, we could do a double run to our originating cities. The mail planes, after completing their runs, could be ferried to Memphis to carry additional packages to destination cities. We were not going to leave a single package behind; in fact, we were ready to give more than we promised. Our team would deliver every single package before noon the next day.

Ever more conscious of our precarious financial situation, we knew the constant search for investor funds simply had to take precedence over the thrill of watching the long-awaited launch. So, on the day we inaugurated service, Fred, Mike Basch (senior vice president of customer sales and service), and I left for New York City, convinced we would have an impressive story for the potential investors we were meeting early the next morning.

As we arrived in Manhattan, Fred suggested to Mike, "While we get our bags and arrange transportation to the hotel, why don't you call and see what the volume looks like."

Mike found a pay phone and came back with the news: "It looks like it's going to be a little light."

"What do you mean, 'a little light'?" Fred questioned.

"Well, we don't have all the reports yet," Mike responded, "but we definitely don't need to be concerned about exceeding the fleet capacity."

"Call them back," Fred ordered. "Tell them I want the actual figures as soon as those are available, and tell them we'll call back once we get to the hotel."

Crisis of Confidence

During the cab ride to the hotel, we discussed the meaning of the light-volume reports. We rationalized that Federal

Express, after all, was a new, unknown entity to the shippers. Perhaps we expected too much for the first day. Conceivably, the shippers did not yet fully comprehend our unique system. Had our sales force properly explained the differences between our self-contained network and the competition, which relied on multiple outside entities?

We were beginning to feel a little less assured, less confident. Was it possible our expectations were still too high? It was understandable that shippers would have to try our service before they made a complete switch. Surely, we would have at least 200 packages. That would be



Roger Frock, MBA '59

acceptable for the first day's operation — not great, but we could live with it!

The unbelievably disappointing news came with the next phone call. Our first day of operations did not produce 200 packages, not even 100 packages. The actual number was... six packages!

"Are you sure you understood correctly?" Fred demanded.

"Yes, I double-checked — the number is six," Mike responded. Now, here was another dose of reality, a really serious dose! Having heard these results, we immediately began referring to the March start-up as the "system test." We did not mention our first run at the investor meeting.

I thought we had failed Fred, but it would take more than a disappointing system test to derail Federal Express. True, the test was frustrating to all of us, but it forced everyone to face reality. From this point on, we would follow the advice of Winston Churchill: "If you're going through hell, keep going."

General George S. Patton had equally good advice for our situation: "Victory and defeat are rarely absolutes, and there is a whole spectrum of degree between these two extremes." Failure is part of business; it will happen. "The time to intervene is not when things are going well," Patton maintained, "but when they are in trouble. It takes courage and character to engage a faltering project."

Fred was about to demonstrate his courage and character.

The unbelievably disappointing news came with the next phone call. Our first day of operations did not produce 200 packages, not even 100 packages. The actual number was... six packages!

Boot Camp Mode

The "system test" network generated so few packages that we decided to cancel the flight schedule and place the packages on commercial airlines. We did not fly planes in the package system again until the next start-up. It was a matter of reducing our operating expenses and conserving our dwindling funds. We were facing the classic chicken-and-egg dilemma: Federal Express needed an expanded network to reach higher volume levels and an infusion of funds to expand the system to a level of sustainability.

After the March system test, Fred switched to Marine Corps boot camp mode. He assembled the entire management staff, and, after expressing his displeasure in his finest drill-instructor manner, calmly explained we were now going to reinvent Federal Express. "We are going to do it right this time," Fred said. "Failure is not an option." We would be ready for the formal inauguration of service to an expanded number of cities on April 17, just a little over four weeks.

Since Art Bass assumed responsibility for selecting cities for the expanded network,



FedEx workers load a fraction of the six million packages that are shipped daily to 200 countries.

he immediately contacted his former partners, Tucker Taylor and Vince Fagan, at Aerospace Advanced Planning Group in New York and asked them to provide manufacturing and airline data. Charles Brandon (operations research), Dennis Sweeney (field operations), and others ironed out the details for the expanded service. Fred and I held review sessions.

Charles explained the process this way: "We had a limited number of aircraft, a limited number of hours in the day, and a limited capacity. We had to figure out how to optimize our assets. That was a classic operations research problem. We picked cities with real potential that would give us the best financial return. We did that first problem using my HP 35 calculator for complex math. We pored over enplanement statistics, airport guides, and flight schedules, so we knew where certified airlines operated evening and nighttime departures."

To find the best candidates for our

service, the task force searched within the Standard Industrial Classification codes for industries producing small, time-

Using all the available information, Charles [Brandon] designed a model that no one today would ever think of doing by hand. However, at that stage in our development, we did not even have access to a computer for the analysis.

critical items with substantial intrinsic or financial value. Our prime candidates

were replacement parts for the equipment installed in factories, offices, and medical facilities, 90 percent of which were developed after the Second World War. Next, the group examined employment statistics for the candidate industries within each standard metropolitan statistical area. That helped us to identify cities with the largest potential need for our service.

The task force then looked at each city's airline-service level and assigned a ranking based on the number and frequency of destinations receiving direct service. Using all the available information, Charles designed a model that no one today would ever think of doing by hand. However, at that stage in our development, we did not even have access to a computer for the analysis.

For the April service network, the task force selected 25 cities within a reasonable distance of the Memphis hub. The new network included Chicago, Cleveland, Columbus, Dayton, Detroit, Indianapolis,



DMITRIY SHAPIRO

One of FedEx's original Dassault Falcons (named Wendy) is on display at the National Air and Space Museum, Smithsonian Institution.

Miami, Milwaukee, Moline, Newark, New Orleans, Oklahoma City, Philadelphia, Pittsburgh, and Rochester. The senior management staff quickly reviewed the recommendations and focused all resources on preparing for the formal commencement of service on April 17. Each department readied its own plan to support the expanded network.

United Front

This time, we wanted everyone in direct contact with customers to wear a uniform, but there was no time to settle on a design, produce the uniforms in the correct sizes, and distribute them to outlying cities. Our solution for the station personnel, salespeople, and customer-service agents was less elegant, but more practical, given our circumstances: a white shirt, brown slacks, a tie with purple and orange stripes, and a tan corduroy blazer, all of which were readily available from our convenient supplier, the local


Sears store.

Federal Express began running quarter-page display ads in the sports section of the expansion cities' local newspapers to solicit telephone responses from prospects. Ads also ran in trade magazines read by shipping and distribution managers. Direct mail solicitations were sent to 15,000 company presidents, vice presidents, and purchasing managers in the service areas to support the ads. Our customer-information center contacted all respondents and forwarded leads to the field sales representatives. Our official start-up of the small-package service was going to be dramatic. We would convince venture-capital groups to invest in our organization.

We were certain that expanding the network was going to give us a much better shot at success. (As it turned out, the second start-up did produce 185 packages, 30 times the initial volume.) We had enthusiastic, dedicated people who worked

incredibly long hours. There were no "special people" in the organization, because everyone was special. It is hard to explain what it was really like to anyone who did not experience those times and events.

"Back in those days, Fred was bigger than life," Dennis remembers. "I don't think too many people had pulled off anything more impressive. There was nobody like him. He had that knack of inspiring people to do things they might not really feel comfortable doing."

The dedicated people of Federal Express responded to his call, and, in just over 30 days, they totally repositioned the company. 

From the book Changing How the World Does Business by Roger Frock. Copyright 2006. Reprinted by permission of Berrett-Koehler Publishers, San Francisco. All rights reserved (www.bkconnection.com).

Balancing Act: Time Out for Family

Juggling the demands of work and family is no longer an issue facing just mothers. Fathers, too, are grappling with parenting pressures as they forge stronger connections with their kids, says Ross School Professor Lynn Perry Wooten.



Lynn Perry Wooten

Adam Hyder, EMBA '08, tries to spend as much quality time as possible with his two daughters, 11-year-old Hana and eight-year-old Nadia. On weekends, he coaches them on the tennis court, but during the dawn-to-dusk work week, the stiff demands of his job as senior director of engineering at Yahoo Inc. in Santa Clara, California, often prevent him from attending the girls' after-school activities. This ongoing friction between work responsibilities and family obligations occasionally rubs raw nerves.

"On one occasion, Nadia had prepared a speech she was going to deliver in front of several hundred people on the final day of her public-speaking class," Hyder recalls. "Unfortunately, I was scheduled to attend a very high-level strategy meeting at 4 p.m. that day and couldn't get away." Young Nadia was crestfallen when she learned she'd have to perform without her father in the audience, but she gamely told him, "Attend your meeting, daddy, and I'll do my very best."

Hyder is not alone in his quest to find the right balance between work and family. What was once considered a "mommy issue" is now giving many working fathers a healthy dose of angst, says Wooten, who has co-authored a new study examining the effects of shift work on parenting.

"When we look at societal pressures, changing values, and demographic trends in the workplace, we find fathers are taking a more active role in parenting," she explains. "Many men have wives who work, so they have to pick up the slack at home. There also is a new generation of fathers who want to be more involved in

their children's lives in nontraditional ways. This different notion of fathering may focus on coaching sports teams and attending ballgames or participating in Scouting activities and homework assignments."

Wooten reports that approximately one in six full-time hourly wage earners and salaried employees works a shift outside the traditional bounds of the 6 a.m. to 6 p.m. work day. Alternative shifts are particularly common among breadwinners earning their paychecks at restaurants and bars, hospitals, and manufacturing plants. So how do these down-in-the-trenches daddies grapple with the difficulty of managing work-family conflicts?

To find out, Wooten, who is clinical associate professor of strategy, management, and organizations at Ross, teamed up with Lawrence S. Root, professor of social work and director of the University's Institute of Labor and Industrial Relations. The two interviewed 59 workers and managers at a Midwestern auto-parts plant and asked this predominately male workforce to talk candidly about the challenges of parenting in the face of relatively inflexible shift schedules. Their study, "Time Out for Family: Shift Work, Fathers, and Sports," targeted the afternoon-evening shift, where fathers tend to be most work-constrained from taking part in their children's extracurricular activities after school and in the early evening.

"Building a high-quality organizational culture is critical for reconciling the changing demands of work and family. When you have trust, good relationships, and other variables in place, you can create a work-family environment that is in balance."

—Lynn Perry Wooten

“Surprisingly, we found workers don’t rely on formal company policies for balancing work and family,” Wooten reports. “Rather, they resort to informal approaches, such as asking a sympathetic supervisor to look the other way or getting a buddy to cover for their absence when they need to leave work early or take a long lunch break. In extreme instances where people feel very passionate about being there for their children, they are more willing to take independent actions on their own, sometimes bordering on civil disobedience and endangering their jobs.”

In the study, much of this work-family tension crystallized around fathers’ strong desires to participate in organized sports with their children. After one supervisor refused to allow a shift worker the flexibility to attend a Saturday afternoon championship game being played by his kids’ football team, the worker feigned a traffic accident on his lunch break and did not return to work that day. On the following Monday morning, the worker discovered that his less-pressured, off-line repair job had been filled by another employee and his supervisor had put him back on the assembly line in retaliation for his absenteeism.

The pressure of balancing work and fatherhood isn’t confined to rank-and-file employees. Longer work hours, proliferation of 24/7 connectivity, and not-so-subtle business pressures have chipped

away at the flexibility once enjoyed by company managers and executives. Indeed, a 2005 *Fortune* magazine survey reported that 84 percent of male executives at the largest U.S. companies want more time for things outside work. Hyder says he often dials into conference calls while driving his daughters to school, and works late nights and weekends at home. Yahoo’s enlightened culture and written policies allow employees greater flexibility than most companies, but circumstances often impose unwanted rigidity. “If I’ve arranged an important strategy meeting months in advance and other people are flying in to attend it, I have to be there,” Hyder explains. “Even though I tried to balance my work, family life, and Executive MBA coursework, it’s impossible to do everything remotely.”

Wooten believes business organizations stand to benefit from fostering family friendly work environments supported by formal written policies that can help working fathers manage the inevitable conflicts. “Companies also have to walk the talk by encouraging employees to take advantage of these policies rather than

frowning upon them for doing so,” she says. Wooten argues that instituting work-life balance programs provides a significant return on investment for firms by enabling them to retain their best workers, reduce turnover, and realize associated cost savings. She suggests leaders take a proactive role in implementing strategies, such as incorporating human-resource managers in extended-hours operation teams, training supervisors and middle managers to be supportive of work-family conflict, providing extended-hours childcare, and creating affinity groups for working fathers.

“Building a high-quality organizational culture is critical for reconciling the changing demands of work and family,” Wooten concludes. “When you have trust, good relationships, and other variables in place, you can create a work-family environment that is in balance.” ■

Claudia Capos





SEED CAPITAL

PLANTING OIL IN AFRICA

STUDENTS USE BUSINESS PLAN COMPETITIONS AS “FUEL” TO GROW VENTURE.

What does it take to grow a globally sustainable, strategically viable biodiesel producer in sub-Saharan Africa?

A tiny little seed named jatropha.

Now, add the Ross School of Business, the School of Natural Resources and Environment, the Frederick A. and Barbara M. Erb Institute for Global Sustainable

Enterprise, the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies, a string of victories in national business plan competitions, and the support of the world’s largest mining company, BHP Billiton.

The result is nascent biodiesel firm Mozergy, which is slated for headquarters in Mozambique and helmed by dual-degree graduate students **Tony Gross, Mike Hartley, Jeff LeBrun, and Ali Moazed.**

What began as a master’s project at the School of Natural Resources and Environment is now a robust, award-winning business plan ready to roll out of the Ross School.

“We didn’t even know what jatropha was,” says LeBrun, referring to the hardy, drought-resistant plant whose seeds produce up to 40 percent oil. Adds Moazed: “It has kind of exploded in the past year, ever since we started looking at it.”

CULTIVATION

The Mozergy team discovered jatropha while evaluating renewable-energy technologies to serve BHP Billiton’s primary energy need — electricity — in the southeast African nation of Mozambique. (BHP Billiton has committed \$300 million to

Setting Off a (Supply) Chain Reaction

Dell Worldwide Procurement technologists were counting on results when they asked a team from the Tauber Institute for Global Operations to resolve a problem in testing microchips used in computer motherboards. MBA candidates **Priya Ranjan Dass and Makarand Deshmukh** and BSE/MSE candidate Kyle Chilcutt delivered that solution and more — their contribution to Dell could transform the way microchips are tested industry-wide.

Each summer, Tauber teams of business and engineering students are paid by corporate sponsors to consult on issues in operations, manufacturing, and supply-chain management. After 14 weeks, the student teams return to campus to present their recommendations before a panel of

judges. The top prize in Tauber’s annual “Spotlight!” competition is \$10,000, but the confidence gained from solving problems at such firms as Boeing, Raytheon, Dow Chemical, and General Motors tends to trump the financial reward, says **Damian Beil**, assistant professor of operations and management science.

“Having Michigan faculty and company managers drive students toward a finished report that must demonstrate significant results creates a challenging summer experience,” says Beil, Ross faculty advisor on the Dell project. “The most successful projects are the ones that produce solutions the sponsors love, but didn’t anticipate.”

Last summer, Dell challenged the Tauber Institute team to develop a comprehensive solution to address the high number

Team Mozergy's Tony Gross, Ali Moazed, and Jeff LeBrun won \$10,000 and first prize in a competition sponsored by Knox Lawrence International. (Not pictured, Mozergy's Mike Hartley.)

reduce its global-emissions footprint.) Though the students determined that jatropha cultivation did not resolve the issue at hand, they did unearth an unexpected business opportunity: an agricultural/biodiesel enterprise in which local farmers could participate and generate income.

BHP Billiton did not want to launch into biodiesel production itself, but the students were encouraged to move toward a stand-alone business model that could help the company and the local community. The proposed venture dovetailed neatly with BHP Billiton's charter to seek opportunities for economic development in the communities near its operations.

"The company saw biofuels as a way to provide local farmers with an additional cash crop, to help them modernize their agricultural practices, and to diversify their agricultural mix," says Hartley. Jatropha grows in harsh conditions and marginal soil that doesn't support food crops.

As the team set about developing an economic model to test the viability of jatropha biofuel production, LeBrun discovered a business-plan competition sponsored by private-equity firm Knox Lawrence International (KLI). The firm's principals were seeking investment opportunities in Africa and had partnered with New York University's Stern School of Business to host the KLI Africa Business Plan



Competition. LeBrun convinced the team that the contest provided the perfect "gut check" to develop and test their pitch. Suddenly, the students' master's project with its long lead time was transformed into a high-stakes standoff with an imminent deadline.

"We had never considered Mozergy a stand-alone business until that point," Gross says.

PLANTING

As the team honed its plan, they drew on shared experiences with the Frankel Commercialization Fund and the Wolverine Venture Fund, both of which are student-managed venture funds at Ross. They also relied on business courses in international

finance and new-venture creation. Plus, LeBrun already had written a business plan on biodiesel produced from algae.

Eventually, a realistic vision took root for Mozergy. (The name is a hybrid of Mozambique and energy.) Once land, equipment, and supplies could be purchased, Mozergy would implement a franchise-based model to produce raw feedstock with its own core farm at the hub. The company would employ local farmers and train them to grow jatropha on a commercial scale. Mozergy would extract the raw oil and sell the "crude" to regional and global refineries.

Farmers who successfully completed a Mozergy-endorsed agricultural-extension


of can-not-duplicate (CND) occurrences in quality testing throughout the company's supply chain. A CND occurs when a motherboard manufacturer reports a microchip failure and returns the suspect part to the microchip supplier, who subsequently is unable to recreate the failure. More than 50 percent of these reported microchip failures are CNDs, costing Dell and its supply-chain partners approximately \$1.25 million each year in scrap and labor, and confounding root-cause analyses of quality problems.

After examining the correlation errors, the Tauber students devised a whole new way to test the chips using JTAG (joint test action group) technology. Previously, Dell had been removing suspect chips from motherboards to perform tests, a process

"The most successful projects are the ones that produce solutions the sponsors love, but didn't anticipate."

—Damian Beil

that could destroy evidence of what caused the failure and also create new problems that hadn't existed. The students' innovative method allows testing without removal of the chips from the motherboards. Ancillary benefits of the new approach include more extensive and efficient test coverage up the supply chain, Beil says.

"The beauty of the solution is that it addressed a lot of problems simultaneously and exceeded the original scope of the problem," he says. "The students' recommendation is being implemented now. It potentially will drive a change in the overall industry, as PC makers and their partners move toward using the JTAG ports for testing microchips in the future." 



“When you’re pitching to a venture capitalist, you can talk about the market all you want, but until you can prove you have a customer there’s a lot more risk associated with the idea.”

—Tony Gross

whatever crude Mozergy can produce, and may participate in the developing project. That’s good news for the team, as they raise seed capital and plan a return trip to Mozambique this summer.

“When you’re pitching to a venture capitalist, you can talk about the market all you want, but until you can prove you have a customer there’s a lot more risk associated with the idea,” Gross says.

The team also has applied to BHP Billiton, KLI, the Erb Institute, the Zell Lurie Institute, and the William Davidson Institute for additional funding. Meanwhile, since the KLI win, Mozergy has won a \$10,000 “Dare to Dream” grant award from the Zell Lurie Institute and a \$20,000 award from the Better Living Business Plan Challenge, sponsored by Wal-Mart Stores Inc. They also represented Ross at two national business-plan competitions: the Rice University Business Plan Competition and the Global Social Venture Competition.

“We all joined the Erb dual-degree program because we had a passion for business and for making a positive impact on the world from an environmental perspective,” Gross says. Adds LeBrun: “We knew there were amazing projects and opportunities both at Ross and the School of Natural Resources and Environment. But as far as this specific project goes, I think we had no clue what we were in for.” ☑

Deborah Holdship

program could then pursue microfinance loans to purchase equipment and plant their own jatropha. Mozergy would supply the initial saplings and agree to buy the farmers’ output.

“The training and purchase agreements demonstrate to microfinance institutions that these farmers are a lower-risk investment than people who don’t have a guaranteed customer and price for their product,” Moazed says. “Therefore, the people coming from our program would be more likely to get credit.”

Mozergy would reap benefits too. “The demand (for biodiesel) is high both regionally and globally,” Gross says. “This takes the burden off Mozergy to produce everything on commercial-scale farms. It enables the business to grow more rapidly while allowing farmers to do what they do best. And instead of having to manage 20,000 people, the company can have 20,000 people supplying it while ensuring suppliers are obtaining the best plant varieties and cultivation techniques.”

PRUNING

With the concept taking shape, the greatest challenge Mozergy faced was winnowing down a complex business plan into a concise presentation for the KLI competition. “We had the capacity to convey our deep knowledge about the issue, Mozambique, and the plan itself,” Gross says. “But we had assembled about

Oil-bearing jatropha is a hardy plant, which grows on land that doesn’t support food crops.

50 slides and two days’ worth of information in no logical order.”

The team looked to **Drew Horning**, program manager at the Erb Institute, and **Paul Kirsch**, program manager at the Zell Lurie Institute, to review the presentation. “Paul struck this great balance of telling us how far we were, but also how much potential we had,” Gross says. “He really inspired us to believe we could win, which motivated us to work incredibly hard.”

The few remaining days before the KLI event were marked by sleepless nights, a blur of finals, and a host of scheduling conflicts. LeBrun actually walked out of a final group presentation at Ross after giving the introduction so he could catch a waiting cab, hop a plane to New York City, and arrive at NYU just moments before Mozergy took the stage. Hartley had to stay behind for an exam, but his teammates still won the \$10,000 first prize, beating teams from Columbia University and the University of California-Berkeley’s Haas School of Business.

REAPING

LeBrun is now nurturing contacts with potential customers and agricultural experts in Africa and the United States. He says a U.S.-based biodiesel refinery has verbally committed to purchasing



Ross MBAs Create a “*Buzz for Braun*” ...and Win \$40,000

The subject of male grooming had never really been top of mind for **Karima Holland**, a first-year MBA student at the Ross School. Especially the topic of male grooming *below the neck*. That all changed when she and three female classmates entered the “Create a Buzz for Braun” campaign, sponsored by Procter & Gamble.

The challenge was to create a marketing plan around a Braun body shaver targeted to college-aged men. The quest was to win the \$40,000 grand prize in the national case-study competition. The results exceeded expectations, as the women did, in fact, walk away with more than just first prize.

“I know way too much about some of my (male) classmates now,” Holland says. She and teammates **Emily Hoffman**, **Mihira Patel**, and **Holly Sharp** earned top honors in the competition among nearly 300 student teams drawn from the country’s top-ranked MBA programs. In addition, Sarah Doak, who received her Ross MBA in December, tied for second place and received \$5,000.

Ross first-year MBAs and “Buzz for Braun” winners (from left): Holly Sharp, Emily Hoffman, Mihira Patel, and Karima Holland

“Manscaping America, One College Campus at a Time,” the marketing campaign created by Holland, Hoffman, Patel, and Sharp, suggested online contests and promotions, along with a “Manscaping” campus comedy tour. The Ross team developed its promotional plan after talking to 150 college-aged men about battling unwanted body hair. Research revealed that grooming “really does matter” to this younger demographic, yet no tool exists to meet their specific needs. Consumer-focus groups and interviews often devolved into hilarious sessions in which participants detailed their creative tactics and innovative methods of “manscaping.”

“We discovered that pretty much all men do it, in some form or another,” says Holland, referring to male grooming. “And they are not shy to talk about

it. In doing our research, we found that most of the touch points had humor around them, and we decided the best way to reach this audience was to create an integrated approach using that humor.”

Braun Global President Bracken Darrell said the competition judges were impressed with the Ross team’s clever messaging strategy, derived from keen observations of the competitive landscape.

“We were very excited about the finalists’ presentations, and felt each offered great insight into reaching our target consumers,” he said. “Ultimately, though, Michigan’s plan rose to the top.”

In addition to the prize money, Holland and her teammates hope to net the added bonus of seeing their tag line and other elements of their proposal appear in the product’s promotional rollout.

“It will be so incredible if they choose to use some of our materials in the actual campaign,” says Holland.

“This was one of the best experiences I’ve ever had.

You just never know what you can create.”



ALUMNI ACTIVITIES

Washington, D.C., Alumni Enjoy a Taste of Boston

Boston-based chef **Jim Solomon**, MBA '92, commandeered the kitchen of **Eugene Procknow**, MBA '78, and wife Mary when they hosted local Ross graduates in their Washington, D.C., home for an evening of fine dining. Solomon, the owner and operator of the Fireplace Restaurant in suburban Brookline, Massachusetts, prepared his signature spit-roasted, maple-glazed half chicken with savory mushroom bread pudding and sage brown butter. Grilled duck sausage with creamy dijon and butternut squash bisque (with roasted chestnut cream and pumpkin seeds) opened the feast. Boston baked beans and brown bread also appeared on the menu (of course).

TOP PHOTO Enjoying Solomon's haute cuisine, left to right: Ross Director of Development, Eastern Region, Ed Ollie, Lisa Leandre, **Al Leandre**, MBA '02, and **Alex Lilavois**, MBA '01.



LEFT **Arnie Esterer**, MBA '55, makes sure to keep host **Gene Procknow**, MBA '78, in fine spirits.

CENTER Chef **Jim Solomon**, MBA '92, is a master of the kitchen.

RIGHT **Tige Savage**, MBA '98, and **Kipp Kranbuhl**, MBA '04, enjoy the Procknows' hospitality. **Rachel Zimmerman**, MBA '00, and **Haley Sawyer**, BBA '06, are pictured in the background.

Tokyo Alumni Pass the Torch and Celebrate

Ninety-four alumni representing the graduating classes of 1969 to 2007 convened in Tokyo when the Ross Alumni Club of Japan held its annual meeting in February. The networking event was the first official gathering since the club presidency passed from **Takeo Suzuki**, MBA '76, to **Makoto Ariga**, MBA '93.

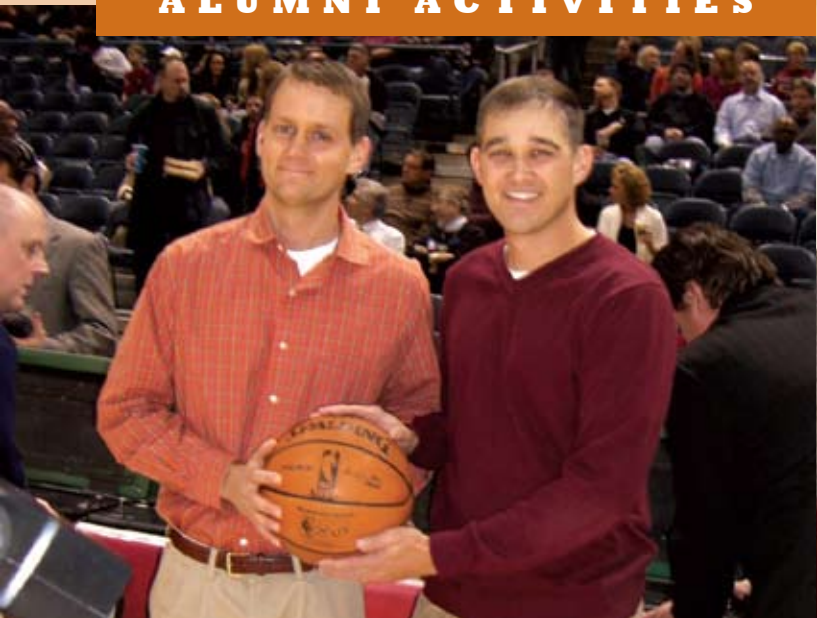
TOP PHOTO Alumni in Japan attending the February event, from left to right: **Mami Tamura**, AB '03, **Takashi Sone**, MBA '06, **Yusuke Narimatsu**, MBA '06, **Keiko Shiine**, MBA '06, and **Kyung Ho Yoon**, MBA '06. Crouching in front, **Koji Yamagata**, EMBA '06.

LEFT **Takeo Suzuki**, MBA '76, accepts thanks and accolades for his contribution as president of the Ross Alumni Club of Japan.

RIGHT **Makoto Ariga**, MBA '93, embraces his new title of club president.



ALUMNI ACTIVITIES



MILWAUKEE—**Matt Gnau**, MBA '03 (left), and **Alec Granger**, MBA '95, brought a little sweat equity to a Milwaukee Bucks basketball game earlier this year. Together, they hit mid-court at the Bucks' Bradley Center to present the game ball to the team captains and referees. Other local alumni who attended the game as part of a club outing included **Sally Sadosky**, MBA '96, **John Bayless**, MBA '04, **Ted Wentzel**, MBA '96, **Michael Harris**, BBA '00, and **Jaclyn Gentner**, BBA '06.



MIAMI—Members of the Ross Alumni Club of Miami recently hosted **Al Cotrone**, director of the Ross School's Office of Career Development and Student Life. Pictured, left to right: **Gabe Gerenstein**, BBA '02, **Marcelo Dutra**, MBA '03, **Jerome Hesch**, BBA '66, MBA '67, **David H. Isaacs**, MBA '67, Cotrone, **Gabriel Freund-Vega**, MBA '04, and **Juan Bermudez**, MBA '98.



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 **MICHIGAN**
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Class Notes

Robert MacKay, MBA '50

worked for five years with Arthur Andersen, earning his CPA designation. In 1955, he joined Procter & Gamble Co.'s international division, where he was assigned first to P&G Canada, then to P&G Italia in Rome, and later to P&G Geneva. In 1957, Robert went back to P&G Italia as comptroller, serving first in Genoa and then in Rome. In 1967, he returned to Cincinnati with P&G. Robert joined the Clorox Co. in Oakland, California, in 1977 and retired in 1990. Since then he has had several consulting assignments with International Executive Service Corps and keeps very busy with volunteer work, particularly with the United Way of the Bay Area. Robert lives in Walnut Creek, California.

Jeffrey E. Jarrett, BBA '62

is a professor of management science at the University of Rhode Island College of Business Administration where he recently received the Dean's Annual Award. He also



has published the following articles: (2007) "Forecasting occupancy levels: A problem for management forecasters," *Journal of*

Business and Management, 12(1), 57-90; (2007) "The quality control chart for monitoring multivariate auto-correlated processes," *Computational Statistics and Data Analysis*, 51, 3862-3870; (2007) "Using vector autoregressive residuals to monitor multivariate processes in the presence of serial correlation," *International Journal of Production Economics*, 106, 204-216; (2007) "Monitoring variability and analyzing multivariate auto-correlated processes," *Journal of Applied Statistics*, 34(4), 459-469; (2007) "Random walk, capital market efficiency, and predicting stock returns for Hong Kong exchanges and clearing limited," *Management Research News*; (2007) "The guideline and procedures using VAR residuals for quality control," *International Journal*

of Quality and Reliability Management; and (2007) "Daily variation, capital market efficiency, and predicting stock returns for the Hong Kong and Tokyo Exchanges," *Applied Economics*. Jeffrey was awarded a sabbatical leave for the spring semester and will visit Australia, Brunei, Indonesia, Hong Kong, Macao, Vietnam, Cambodia, Thailand, and Singapore. You can reach him at jejarrett@uri.edu.

Richard Metzler, MBA '66

and his son, Jon, are co-authors of *Lore of Wizards: Consultants on Consulting*. The title is being serialized online at www.loreofwizards.com. New chapters are available monthly until the book is completed this summer. At that time, all chapters will be bound into a single volume and offered for sale. *Lore of Wizards* comprises interviews with industry veterans and captures wisdom gained through decades of experience. Chapters cover topics such as rating and dealing with clients, ethics, traveling, and international business. Management consultants are encouraged to e-mail their own tales from the trenches to info@LoreofWizards.com. Top submissions may be included on the Web site or in future editions of *Lore of Wizards*. (All submissions will be reviewed, and contributors will be contacted prior to publication.) Richard began his 29-year career in management consulting in 1969 at Cresap McCormick & Paget, which since has been absorbed into Towers Perrin. He later joined Theodore Barry & Associates and ultimately opened his own firm, Metzler & Associates, which is now Navigant Consultants. Throughout his career he honed a specialty in the utilities industry. Richard currently helms Trove Capital LLC. Trove's primary product is the Woodley Fund LP, a long/short dollar neutral investment fund. His son, Jon, is founder and president of Blue Field Strategies, a consulting firm specializing in wireless communications, and regulatory and public-safety issues.

Daniel A. Redstone, MBA '67

received the American Institute of Architects' highest honor, the Gold Medal, from the Detroit AIA chapter during its annual Celebration of Excellence on November 16, 2007. Daniel's involvement with the Detroit chapter began shortly after he was licensed in 1972; in 1985, he was elected president. Daniel is also active with the National Council of Architects Registration Boards where he championed eased reciprocity and facilitated cross-border movement of architects between the U.S. and Canada.

Ronald L. Thompson, BBA '69

recently was appointed chairman of the board of trustees of the Teachers Insurance and Annuity Association (TIAA). Thompson joined the TIAA board in 1995 and most recently served as its presiding trustee. From 1993 to 2005, Thompson served as chairman and chief executive officer of Midwest Stamping and Manufacturing Company, headquartered in Maumee, Ohio. He has taught at Old Dominion University, Virginia State University, and the University of Michigan. In addition, he serves on the board of Washington University in St. Louis.

Stephanie Bergeron, BBA '75

recently was named president and CEO of Walsh College in Troy, Michigan. Stephanie served on Walsh's board for 12 years before becoming interim president and then president. The college has three campuses with 4,500 students. For 25 years Stephanie worked in accounting, supporting automotive-products manufacturers. She and her husband Jeff and their two dogs reside in Birmingham. They have two children, Michael, 25, and Katie, 23. Stephanie says her three greatest passions are family, dogs, and chocolate.

Robert D. McTaggart, MBA '75

recently moved his law practice and changed the Dallas-based firm's name to McTaggart & Associates. Robert is board-certified as a specialist in commercial real estate law by the Texas Board of Legal Specialization. He assists individuals and businesses in the purchase, sale, lease, and development of

CLASS NOTES



commercial real estate. He also performs other legal services, including the review and preparation of business

contracts and the formation of entities such as corporations, limited liability companies, and partnerships. Robert, his wife Carmen, and their 7-year-old son Grayson live in Dallas. You can reach him at Robert@McTaggartLaw.com.

Charlie E. Mahone Jr., MBA '78, PhD '81 was appointed dean of the School of Business and Public Administration at the University of the District of Columbia in August 2007. Prior to that, Charlie was professor of international business at Howard University's School of Business, where he had been teaching since August 1989. While at Howard he also served as director of graduate programs, department chairman, and associate dean. Charlie has conducted research and taught courses in international business, small and minority enterprises, and corporate strategy. You can reach him at cmahone@udc.edu.



Peter Mertz, MBA '81

and his wife Carolyn recently gave a \$250,000 gift to the Frederick A. and Barbara M. Erb Institute for Global Sustainable Enterprise. The newly established endowment will provide tuition support to students enrolled in the third year of Erb's dual-degree MBA/MS program. The gift also qualifies for the Graduate Student Support Challenge, recently launched by University of Michigan President Mary Sue Coleman. As a result, the University will match 50 percent of the gift, adding another \$125,000 to the Mertz endowment fund.

Peter is CEO and founder of Global Forest Partners, one of the largest timber

investment management organizations in the world. He is a certified forester and a member of the Society of American Foresters and the World Business Council for Sustainable Development. In addition, he is a member of the Erb Institute External Advisory Board. Carolyn is a graduate of Southern Methodist University, where she earned a BA in Spanish and an MBA. She now chairs the board of trustees of the Montshire Museum of Science, which features interactive learning about the natural and physical sciences, ecology, and technology. The couple lives in New Hampshire with their two daughters, Anna and Carla.

L. Lee Gorman, BBA '79, MBA '83

has been named director of the automotive-business unit at Coherix in Ann Arbor. The high-tech company supplies next-generation holographic and optical-inspection systems to measure production and component quality in the automotive, aerospace, electronics, medical-supply, and semiconductor industries. Previously, she was a principal at Barton Consulting Services in Ann Arbor and also held key management positions at Ford Motor Co.

Frederick (Fritz) Henderson, BBA '80

was elected General Motors Corp.'s president and chief operating officer in February. He has worked at GM for most of his professional career, and most recently held the post of vice chairman and chief financial officer. Henderson is one of the few automotive executives to have presided over operations in every region of the world.

He was president of GM's operations in Asia Pacific; Europe; and Latin America, Africa, and Middle East before returning to Detroit in January 2006. In 2007, Henderson was a key player in labor talks with the United Auto Workers. He helped to forge a landmark, cost-cutting contract that is expected to save \$5 billion in labor costs by 2011. He also was crucial to resolving a labor impasse at Delphi Corp. last year.

Ellen Ernst Kossek, MBA '81

is co-author of the new book *CEO of Me: Creating a Life That Works in the Flexible Job Age* (Wharton School Publishing). Kossek is professor of human resources and organizational behavior at Michigan State University's School of Labor & Industrial Relations and a leading expert on work-life balance issues. In the book, she and co-author Brenda Lautsch, associate

professor at Canada's Simon Fraser University, provide a practical blueprint on how to manage the physical and psychological mixing of work and personal life. After interviewing hundreds of professionals at different companies in North America, the authors found workers across the board were hungry for better ways to manage work-life relationships. Kossek and Lautsch identify six work-life patterns — three positive and three negative — and offer step-by-step guidance on how to move toward a more productive and comfortable “flexstyle.” They report more companies now offer flexible policies in setting work schedules and locations, and that society and technology have changed to enable a greater overlap between work and personal life. However, the authors warn that such mixing can lead to unhappy workers and even burnout. “Unless we actively manage how we use flexibility, the flexibility that was supposed to help us can actually make our lives worse,” they say. Kossek has contributed an essay to *Dividend* detailing her own efforts to manage a work-life balance with her husband, fellow Ross School graduate **Sandy Kossek**, MBA '81, and their children.

Martin M. Shenkman, MBA '81 recently published his 34th book, *Funding the Cure*. Martin's wife, Patti S. Klein, M.D., recently was diagnosed with multiple sclerosis, and the book stems from the couple's efforts to spur donations and to accelerate efforts of the National Multiple Sclerosis Society to find a cure for the disease. *Funding the Cure* helps individuals who have MS, or loved ones touched by it, to cope with the condition. The book also demystifies the process of charitable and planned giving, and presents other approaches to funding and supporting research. *Funding the Cure* is available through Demos Medical Publications, 386 Park Avenue South, Suite 301, New York, NY 10016. It also may be obtained online through Demos Medical Publications' Web site, www.demospubmed.com. A follow-up book called *A Practical Approach to Estate Planning: Options for People with a Chronic Disease or Disability* is in the works. Martin is a private attorney practicing law in Teaneck, New Jersey, and New York City.

Colin Wahl, MBA '85 worked in brand management with Procter & Gamble Co. after his graduation from the Ross School. Later, he applied his experience to the field of investment management and founded several companies, including an Internet-based firm, designed to help institutional investors. After selling his business interests, Colin took a break from the corporate world and taught entrepreneurship in the graduate business school at the University of North Carolina-Chapel Hill. Recently, he started a business called Client Opinions, which helps organizations conduct client/customer and employee research. In his spare time, he still plays ice hockey with other northerners in the Chapel Hill area and enjoys rollerblading and traveling. He just returned from a trip to India where he visited relatives and played tourist. Colin lives in Chapel Hill with his wife Kerri, a transplant physician at Duke University Hospital, and daughters Sarah, a high school senior, and Shaina, a senior at Duke. Colin would be delighted to meet with any Michigan alumni visiting the area and can be reached at cwahl@clientopinions.com.

Gary E. Baker, MBA '86 has been named vice president of information-technology delivery services for Borders Group in Ann Arbor. Gary will be responsible for the development and execution of IT strategic processes related to the delivery of technology. He also will lead company teams to ensure that business goals are met through the delivery of necessary IT products and services. Prior to joining Borders, Gary served as director of IT transformation services at Alix-Partners in Southfield, Michigan. Before that, he worked at EDS in Detroit, served as a partner at Arthur Andersen, and held the positions of CEO and chairman of Online Technologies Corp. in Ann Arbor.

Karen Mishra, MBA '88 finished her PhD in marketing communications at the University of North Carolina-



Chapel Hill in May 2007. She is now assistant professor of marketing and advertising at Meredith College in Raleigh,

North Carolina. You can find her on LinkedIn or via e-mail at mishraka@meredith.edu or lizmishra@gmail.com. She and her husband, **Aneil Mishra**, PhD '92, recently released the book *Trust Is Everything: Become the Leader Others Will Follow* (www.lulu.com/content/2196924). Visit their blog at www.totaltrust.wordpress.com.

David Robson, MBA '89 recently was named chief operating officer at Detroit-based Miller, Canfield, Paddock, and Stone, P.L.C. Miller Canfield is Michigan's largest law firm with nearly 450 attorneys and paralegals and seven offices in the state, as well as offices in Chicago; New York City; Cambridge, Massachusetts; Naples, Florida; Windsor, Ontario; and in Gdynia, Wroclaw, and Warsaw, Poland. Prior to his April appointment, Robson was senior vice president, chief financial officer, and chief information officer at Boston-based Pembroke Real Estate Inc. He previously worked in finance and strategy at General Motors Corp. with stints in New York and Brussels, Belgium.

Jim Lesinski, BBA '90, and Kim (Kotwicki) Lesinski, MBA '96 along with their son Bryce, are happy to announce the birth of their second son,



Braden Wayne Lesinski, in March. The family currently resides in Excelsior, Minnesota. Kim, Jim, and Bryce are already teaching Braden how to sing the Michigan fight song, and to high step in preparation for joining the Michigan Marching Band of which his mother was a proud member.

Allen Banez, MBA '90 recently launched a new consumer-advocacy service called the LetterChamp. “We help unhappy consumers obtain hassle-free refunds and product replacements,” says Allen. LetterChamp is a full-service firm that handles research, complaint letters, product returns, and phone calls. “We have a passion for getting our clients the quality products and excellent cus-

tomers service they paid for and deserve.” You can hear Allen explain his services at <http://youtube.com/letterchamp> and visit his Web site www.letterchamp.com. Allen is located in Tracy, California, and can be reached at abanez@letterchamp.com.

James Mastan, MBA '90

is a highly regarded marketing and business strategy expert, speaker, and founder of Blue Rain Marketing LLC (www.bluerainmarketing.com), a premier northwest business and marketing strategy and program consulting firm. Mastan has 14 years of Microsoft marketing and launch experience and over 20 years' experience in creating effective business and marketing strategies and programs that have delivered significant business value for many clients. The June release of his book *Product Launch the Microsoft Way* distills his years of Microsoft marketing and product launch expertise into one convenient, in-depth “how to” for all aspects of a product launch: increasing the effectiveness of your launch process, strategy and execution; and learning the product launch techniques, tips, and best practices of the Microsoft marketing machine.

Larry P. Nieman, Jr., BBA '90

has been named dean of the School of Business Administration at Robert Morris College in Chicago. In 1994, after receiving his MBA from Central Michigan University, he took a position in residential lending with Citibank, where he later became



a credit manager. Larry started his teaching career as an adjunct accounting instructor at Robert Morris and joined

the college's full-time faculty in 1998. Larry accepted the position of director of the business institute at Robert Morris in 2001 and developed relationships with business and industry for individual, group, and class internships. He was named associate dean in February 2007. Larry has been a licensed real estate broker in the state of Illinois for the past eight years, and is currently working on his doctorate in business administration.

J. Ronald Totaro, MBA '90

has been appointed senior vice president in the office of the COO for ACI Worldwide, a leading international provider of software for electronic-payment systems. Ron brings 20 years of experience in corporate strategy, marketing, sales, product development, and financial and operations management to ACI. He recently served as vice president and general manager of global credit scoring solutions at Fair Isaac Corporation. Prior to that, he was vice president of interactive marketing and media with AOL Time Warner.

Lauren Liang, BBA '97

has been appointed executive director of the Peacock Equity Fund-Asia Pacific. The fund is a \$250 million joint venture formed by GE Commercial Finance's Media, Communications & Entertainment business and NBC Universal. Lauren is based in Singapore, where she will work in partnership with NBC Universal focusing on identifying media investment opportunities in the Asian market's media and technology sector. Prior to joining the fund, Lauren held numerous positions within NBC Universal and GE Capital.

Elaine Dodson O'Gorman, MBA '98

has been promoted to senior vice president of marketing and product strategy for e-mail service provider Silverpop. Elaine is responsible for both the delivery of products to Silverpop's clients and the creation of go-to-market strategies that attract quality customers. Having held previous positions with Kraft Foods and American Airlines, she brings a tremendous background in marketing and channel development to Silverpop. Elaine is a certified managerial accountant and a certified project manager. She and her husband Kevin and their three children live in the Atlanta area. You can reach her at eogorman@silverpop.com.

Menno Ellis, MBA '99

is a partner at ABA Consulting, which develops marketing plans for public and private companies in multiple industries. The firm focuses on the primary marketing levers to help companies achieve profitable revenue growth. ABA assists clients in selecting the best advertising and communications partners, and in optimizing the client-agency relationship. You can learn

more about the Dallas firm at www.abaconsulting.com. Menno published two articles recently: “Optimizing agency relationships” appeared in the May 2007 issue of *AgriMarketing*, and another article was featured in the December 10, 2007 issue of *Convenience Store News*. Menno, his wife Keri, and their children reside in the Dallas area. You can reach him at menno.ellis.wh94@wharton.upenn.edu.

Tom Garfinkel, MBA '00

executive vice president and COO of the Arizona Diamondbacks, and Jeff Moorad, general partner and CEO of the Diamondbacks, have purchased a majority interest in Hall of Fame Racing from NFL Hall of Famers Roger Staubach and Troy Aikman. Tom, who lives in Paradise Valley, Arizona, is a diehard Michigan football fan; ironically Jeff, a graduate of the University of California, Los Angeles, feels the same about the UCLA Bruins. Their driver this year is J. J. Yeley, and they hope to bring in a second driver. “The Wolverines will be Big Ten champions — absolutely,” said Tom. “And they'll beat Ohio State.” Added Jeff, “I think the Bruins will play Michigan in the Rose Bowl, which would be a great game.”

Alland Leandre, MBA '02

was named 2008 Black Engineer of the Year/Entrepreneur in February. The award is presented by the National Society of Black Engineers and is one of the most prestigious and competitive honors in engineering and technology management. Al owns and operates Vyalex Management Solutions Inc., an avionics systems engineering and technology firm of which he also is president and CEO. Al and his team work with students, faculty, engineers, and support staff at the Morgan State University Clarence M. Mitchell School of Engineering in Baltimore and the Naval Air Systems Command in Patuxent River, Maryland. Together they are creating a sustainable and professional workforce reflecting the diversity of our society.

CLASS NOTES



TRUE BLUE. Jeffrey Lieberman, MBA '02, and Woong Oh, MBA '02, show their true colors on a recent trip to Easter Island.

Darys Estrella Mordan, MBA '02

is CEO of the Dominican Stock Exchange. She recently was selected as a Young Global Leader 2008, an honor bestowed each year by the World Economic Forum to recognize and acknowledge the top 200-300 young leaders from around the world for their professional accomplishments. Darys hopes to leverage her position as a Young Global Leader to bring more attention to investment opportunities in the Dominican Republic and to promote best practices regionally for capital markets in Latin America and the Caribbean.

Patience Allen, MBA '04

writes, "Since coming to Norway in 2004, I have been busy in both the arts and entrepreneurial areas. In 2006, I started The New Glass Company with a business partner (www.thenewglasscompany.no). It is focused on promoting Norwegian artists internationally. Over the Christmas holiday, I bought one-third of the consulting company www.etablere.no, which specializes in helping entrepreneurs start their own businesses. I plan on being in Oslo for awhile, so if anyone is in the area, be sure to look me up." You can reach Patience at impsquat@hotmail.com.

Brian Lafer, BBA '04

has been promoted to assistant vice president at U.S. Equities Realty in Chicago. Brian is a licensed real estate salesperson. The company serves as a strategic real estate advisor to clients throughout the U.S. and Latin America.

Jeff Benz, MBA '06

has been named chief administrative officer, secretary, and general counsel for AVP, a leading lifestyle sports entertainment company focused on the production, marketing, and distribution of professional beach volleyball events worldwide. Before joining AVP in 2007, Jeff was a senior executive at A2 Holdings LLC, a venture-funded start-up committed to improving the sport of boxing at all levels. Prior to that, he served for five years as the general counsel, secretary, managing director of legal and government affairs, and acting ethics officer for the U.S. Olympic Committee.

Brian Hung, BBA '07

a four-year letter winner for the men's tennis program, has been named the male recipient of the 2007 NCAA Sportsmanship Award. Framingham State College's women's soccer team was the female recipient. They were chosen from a group of 97 nominees from all three divisions of the NCAA. "I am extremely honored to be given this award," Brian said. "I have always prided myself in displaying good sportsmanship on the court." Brian, the first-ever student athlete from the Big Ten to receive the NCAA Sportsmanship Award, graduated with high distinction in April 2007. He is working as an investment banking analyst with Merrill Lynch in New York City. ☑

OBITUARIES

Richard C. King

MBA '50

passed away on October 23, 2007, at the age of 83, after a short illness. He is survived by his wife of 57 years, Dr. Monique King, and a nephew, James R. King. Richard was born in Cleveland, Ohio, and enlisted in the U.S. Navy as an apprentice seaman in 1943. He served as a communications officer aboard the *U.S.S. Mt. McKinley*, and performed various roles on the staff of the Task Force Commander during atomic bomb tests at Bikini Atoll in July-August 1946. He was honorably discharged in September 1946, with the rank of ensign. After receiving a liberal arts degree from Harvard College in 1948, Richard earned his MBA at the University of Michigan. In 1950, he went on to join Standard Oil of Ohio (now BP Amoco), holding various management positions during 30 years of service. He established a minority affairs program at the company and became a community leader in that area. In 1979, Richard joined the brokerage firm of Prescott, Ball, and Turben in Cleveland. Upon retirement, he assumed a busy role as a volunteer, teaching English to foreign students at the Cleveland Institute of Music and serving as president of the Cleveland Chamber Music Society. Richard and Monique moved to Tucson, Arizona, in 1994, where he continued to pursue such interests as music, investments, exercising, and playing bridge. He also authored a short novel for children.

"Fred" Francis Garych

MBA '51

passed away on October 19, 2007, at the age of 80, surrounded by loved ones. Fred was born in New Britain, Connecticut, and served in the U.S. Navy during World War II. He earned his bachelor's degree from the University of Connecticut and continued his studies at the University of Michigan to earn his MBA. Fred worked in New York City for General Electric Co., primarily in the international division, for nearly 40 years. He and his wife, M. Eileen Tierney Garych, had four children. Eileen passed away in 1984. Central to Fred's life was a love of education and gardening. In June 2007, he hosted a celebration of his 80th birthday for friends and family. Fred is survived by his brothers George Grzeszczyk and Lawrence Garych, his son Paul Garych, and his daughters Susan Garych Buller, Maura Garych Fritz, and Kathryn Garych, as well as six grandchildren. ☑

Do you have news to share with classmates? Send your Class Notes to dividend@umich.edu.

A Day in the (Working) Life

by **Ellen Ernst Kossek, MBA '81**

It's 10 a.m. on a snowy Ann Arbor morning in winter 1979. I am sitting in an accounting class that is predominantly men, and trying to concentrate. Professor Earl "the Pearl" Keller has just sped through a term's worth of information on pensions in a single session before dismissing us with his signature phrase: "Well, it's martini time somewhere in the world!" The classmate sitting next to me is an attractive, smiling guy with a funny East Coast accent. All during the hour, he has whispered jokes and kept me in good humor. Throughout the term we have become friends who share the fate of being liberal-arts undergrads new to LIFO and FIFO lingo. Our common goal is to avoid a dreaded B-minus on Keller's grading curve, in effect a "fail" for the course.

Flash forward to 6 a.m. on a snowy morning in 2008. That same classmate who entertained me in Keller's class is now my husband of 26 years. He has just gotten off the phone with a co-worker in Singapore, and is packing to fly to Atlanta later today. I am used to the routine and have long since learned to cope with separation anxiety. Besides, as a professor at Michigan State University, I have my own itinerary to worry about. I'm prepping for a class and refining a speech that I'll deliver tomorrow. I also have notes to review in preparation for a phone interview with a reporter about my new book, *CEO of Me*.

As with most MBAs throughout history, my husband and I started our degree program at Michigan as goal-oriented over-achievers who

wanted to be the first and best at everything we did. Today, as a two-MBA couple, we still want those things. But the reality is this: There is only room for one at the top. And I now realize that our history, since first meeting in that Ann Arbor classroom, has been an ongoing exercise in the delicate work-life

balance (not to mention ego management) so familiar to double-MBA households. We both entertain great offers, domestically and internationally; and we both have turned down tremendous opportunities, depending on whose career track takes precedence at any given time.

The balancing act started as early as summer internship season, shortly after we'd begun dating. I was in Japan working for Hitachi. He was in St. Louis working at McDonnell Douglas. Little did we know this would be the first of many times we would face the challenge of matching geography in the job search. At graduation, we agreed to take the best offers possible, with the plan to transfer if our union was meant to be. I started in international human resources management at the now-defunct GTE in Geneva, Switzerland. He went with IBM in upstate New York (wearing the obligatory white shirt to work each day).

That December, I was asked by my boss if I wanted to stay permanently in Europe. I opted instead for a job at corporate headquarters in Connecticut. At least my relationship would have a better chance if both of us lived on the same continent. I was right. Shortly thereafter, my husband proposed marriage and requested a transfer with IBM to the Connecticut area—for me.

As newlyweds, we settled in Fairfield County, and for a little while, we actually lived like a "normal" couple who went to work each day at our respective firms. Then I decided to pursue a doctorate at Yale, and he started traveling to different IBM locations. When I graduated, I accepted an offer at Michigan State University as a professor of human resources, in part because there was an IBM branch—where he could work—in Lansing. Today, my husband works for IBM Global Services as a mobile employee, traveling and largely working from our home.

We both have made career compromises, and shared giving and taking over the past



Even expert Ellen Ernst Kossek, MBA '81, faces the challenge of managing her workload in the "flexible job age."

decades to work out the logistics of building a life together. There are times when we've had two homes and lived in separate residences. There are other times when we've shared adjoining home offices and seen each other more than most married couples. Sometimes I marvel at the relative stability we've been able to achieve in our careers, despite all the apparent disruption and lack of traditional routine. He has just completed 28 years at IBM, and I've logged 21 years with MSU. We have four children, including one who is now a sophomore at the University of Michigan. When I think back on our careers and the choices we have made for ourselves and our family, I have come to the following conclusion: There are trade-offs and there are sacrifices. Though we've both made trade-offs throughout our professional and personal lives, we haven't actually sacrificed anything at all. ☒

Ellen Ernst Kossek, MBA '81, is a professor of human resources and organizational behavior at Michigan State University's School of Labor & Industrial Relations. She earned her PhD from Yale University in 1987. Ellen is married to Sandy Kossek, MBA '81, and is the co-author, with Brenda Lautsch, of CEO of Me: Creating a Life that Works in the Flexible Job Age (Wharton Press, 2008).

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Kresge Library
an unsurpassed collection of resources

Lifetime E-mail
a constant amidst change



CONTENT

Dividend Magazine
catch up with Ross

MichiganMail
alumni news, intellectual capital, more

Executive Education
lifelong learning for leaders



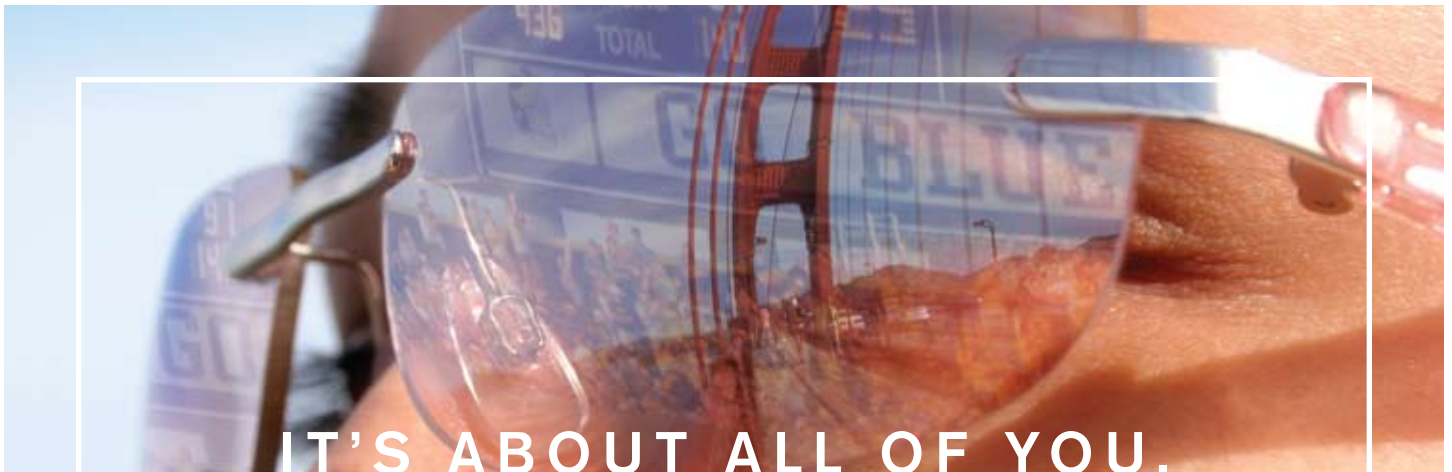
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personal and professional connections

Reach Out to Students
help lead Ross

Reunions
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reUnion

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