**Save the Date**

**BBA Recent Grad Reunion 2010**  
September 24-25

**Reunion 2010**  
October 15-16

Look for more details and registration information this summer.  
Go to [www.bus.umich.edu/reunion2010](http://www.bus.umich.edu/reunion2010) for a schedule of events, hotel information, and anniversary class news.
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Professor Ravi Anupindi explores the challenges and benefits of introducing environmental issues into the supply chain.

Professors Erik Gordon and Erica Li reveal new research in development.

The latest news from friends, classmates, and colleagues.

Dara Moses, MBA ’09, reflects on her experience working in Haiti.
MARK SEIGLE, BBA ’80, may have graduated from business school three decades ago, but his name is ever-present on the Ross School campus. He endowed the Seigle Cafe, a social hub at the center of the Davidson Winter Garden. “If I look back at the strongest friendships I have formed in my life to date, I would trace them to the University of Michigan,” Seigle says. “The cafe was appropriate for my gift because it epitomizes the balance between the social and academic aspects of college life.” Prior to Ross, Seigle could be found pushing a broom in his family’s lumber and supply company in Elgin, Ill. Upon receiving his BBA, he ascended the ranks and managed the business alongside his brother for 28 years. In 2005 they sold Seigle Inc. to Stock Building Supply, a division of Wolseley PLC. In 2009 Mark bought back the cabinetry division and formed a strategic alliance on the remaining products with PRO-Build, a Fidelity Investments company.

First job? Sweeping the floors at my father’s business.
D. SCOTT DeRUE, ASSISTANT PROFESSOR OF MANAGEMENT AND ORGANIZATIONS, is an expert in leadership and teamwork. He researches the ways leaders and teams in organizations adapt, learn, and develop over time. In September he and Ross professor Maxim Sytch integrated social media into the MBA core with their online discussion group “The Leadership Seminar,” which was hosted by The Washington Post. Students in their fall M&O course earned credit toward class participation by posting to the forum. DeRue’s work has been published in the Academy of Management Journal, the Journal of Applied Psychology, and Leadership Quarterly. Prior to academia, he held leadership positions at the Monitor Group and Hinckley Yacht Co.

1 What keeps you up at night? Nada. I sleep like a baby.
2 What’s one of the last books you read? Born to Run by Christopher McDougall.
3 What’s the first album/CD you ever bought? Live by Hank Williams Jr.
4 What’s on your iPod? Everything from the Zac Brown Band to Jay-Z.
5 What’s the most thrilling/adventurous thing you’ve ever done? I recently climbed Mt. Aconcagua (Argentina), the tallest mountain outside of Asia.
6 Guilty pleasure? If something is pleasurable, why feel guilty?
7 Personal hero (and why)? Nelson Mandela. He inspires me to think beyond myself.
8 First job? I worked in a warehouse loading and unloading trucks.
9 Biggest management myth? Leadership is reserved for individuals with lofty job titles.
10 What advice would you give to yourself 10 years ago? Happiness depends on me.
11 First website you access in the morning? espn.com.
12 Favorite comfort food? Mint chocolate chip ice cream.
13 Three people, living or dead, you’d have over to dinner? Sir Edmund Hillary, Kara Goucher, and Gandhi.
14 What did you want to be when you were a kid? The owner of a professional sports franchise.
16 Unfulfilled wish? To live on a boat.
17 Best trophy/award you ever won? A letter from Dean Smith recognizing me as one of the best basketball players at the University of North Carolina’s basketball camp. I wasn’t that good, so it came as a nice surprise.
18 Favorite line from a movie or TV show? “Life is not about how many breaths you take, but about the moments that take your breath away.” —Will Smith in Hitch.
19 Favorite sport to watch? UNC basketball. Go Heels!
20 If you could read anyone’s mind, whose would it be? Jackson’s (my chocolate Labrador).
BBA Elective Tackles First Things First: What is a Business?

Much of what happens at the Ross School is based on the premise that the most successful people in business are highly adept, holistic thinkers. So the school develops and delivers programs that require and refine multidisciplinary, integrated thinking.

Dean Robert Dolan finds the mission critical—not just at the graduate level, but also at the undergraduate level. In January he returned to the classroom to deliver an innovative BBA elective designed to answer the fundamental question: “What is a business?”

“In looking at our undergraduate curriculum, we determined the program really didn’t have a good beginning,” says Dolan. “And this could be it.”

“Business Thought and Action,” open to sophomores, is the first BBA course of its kind at Ross. Dolan conceptualized the content with Ross colleagues Bob Kennedy and Scott Moore. Using the discussion-based case method, Dolan, Kennedy, and Moore explored the experiences of contemporary companies to illustrate how firms succeed and fail, and how corporate culture, strategy, and management influence firm performance. If the instructors’ hypothesis bears out, this provocative overview of business is best delivered at the onset of the undergraduate experience.

“Traditionally, we give students all the functional material up front—accounting, marketing, finance—and say, ‘Here, take your medicine, it’s good for you. When you’re a senior, we’ll show you how it all fits together,’” Dolan says. “I thought it would be fun to do something dramatically different. If we pull this idea off, it could be transformative.”

Doing something this different was no small feat in light of each professor’s existing workload. Dolan helms the only business school ranked in Bloomberg BusinessWeek’s top 10 for its full-time, part-time, BBA, and executive MBA programs. Kennedy is the Tom Lantos Professor of Business Administration, director of the school’s global initiative, and executive director of the William Davidson Institute (WDI). Moore is the BBA program director, an Arthur F. Thurnau Professor, and an associate professor of business information technology.

All three taught in equal increments. All three wrote new material for the course. And all three attended every class. Their combined presence sent a powerful message about the school’s commitment to the BBA cohort.

As sophomore Harrison Wolstein puts it: “Those are three heavy hitters in one room.”

THREE’S A CHARM Each member of the trio brought unique expertise to the venture. Dolan and Kennedy are experienced case method teachers and writers with roots at Harvard while Moore is an award-winning teacher with extensive experience at the BBA level. Dolan is a marketing expert, Kennedy’s forte is international business and corporate strategy, and Moore brings information technology to the table.

Taking a class taught by such “heavy hitters” was a big attraction for Poonam Dagli, one of 56 students who gained entry to the class by way of lottery. Her goals were both specific and surprisingly general: “I wanted to know what a business was,” she says. “I wanted concrete answers. And I wanted a direction to follow after I leave Ross.”

Her classmate Samantha Elias used the course to clarify whether she really wanted to pursue a career in venture capital and entrepreneurship.

“I like the way the class broke everything down,” she says. “Why did a business start? How did it enter the market? Why did it even think there was a potential market? The ability to assess a business in such a holistic way is a skill I’m going to need.”

It’s rare for BBAs to get such an interdisciplinary picture this early in...
the game. By design, the course trained students to engage in active dialogue as they encountered the ambiguities of real business situations. With each session they faced the questions that needed to be faced, arrived at decisions that needed to be made, and supported those decisions with data and analysis.

“It was introductory, but not basic,” Kennedy says, “and created a context for the functional classes going forward.”

The hope is to scale the elective and offer it in multiple sections in 2011. Eventually “Business Thought and Action” could be integrated into the BBA core. The faculty members also are thinking about how Ross could share the materials and training protocol with other schools.

**THE WRITE STUFF** As for those materials, about 90 percent were original and produced by Dolan, Kennedy, and Moore with case writers from WDI. Early on, the professors discovered most introductory texts were pitched too low for a Ross BBA student. “And none of them even came close to capturing how exciting and fun business is,” Dolan says. The existing cases they’d intended to use referenced terminology and scenarios that would have required massive glossaries to compensate for the students’ age, experience level, and unfamiliarity with core business disciplines.

“The just-in-time delivery of new cases was a bit frantic,” says Dolan. “But the nice thing was we were able to spin the content one way or another as the students’ capabilities developed. We started with cases at six pages; pretty soon I was writing one at 17 pages.” (Content can be found at www.globalens.com.)

The trio focused on firms well-known to the students: Coke, Dell, Build-A-Bear, Zipcar, and others. They organized modules into how firms function in markets, successful businesses, sources of business stress, and business in society. The final module asked students to reflect on their own business goals.

In addition to digesting a new type of material, the students encountered a new type of learning. The case method requires open-ended discussion, critical thinking, analysis, and judgment — quite a departure from the top-down communication of a typical lecture. For Dolan, it provided an opportunity to explore the questions he feels business students should be learning to answer.

“Give me some smart students, and I’ll come up with a good set of questions,” he says. “The answers always come in class.”

**THINK TANK** One class session built around new product development forced students to accept or reject an idea while building a framework to support each assessment. Question after question came from the dean. “What do you think?” Dolan said to a student in the back row. “I think it’s a good product,” the student replied. Dolan took the opening. “Talk to me,” he said. But all he got back was the same reply: “I think it’s a good product.” The dean scratched his head and smiled. “I mean, talk to me.”

Demanding a sophisticated level of class participation required a sophisticated system for auditing that participation. So while one professor taught, another closely tracked all activity. “Look at this,” Moore says, flipping through 15 pages covered in the dean’s scrawl. “We always knew when, how much, and the quality of what each person said in each class.”

In a weekly debrief, the professors also reflected on their own contributions to each session. It had been nine years since Dolan set foot in a classroom, and his teaching experience had been with MBAs at Harvard and the University of Chicago. “Teaching BBAs forced me to think in a whole different way,” he says. “And it was fun to see these kids rise to the challenge. As we moved from session to session, I could tell they were beginning to understand that business is a motion picture — not just a bunch of snapshots.”

—Deborah Holdship

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**ROSS NETS TOP MARKS FROM ASPEN INSTITUTE, PRINCETON REVIEW**

In other rankings, Ross is the best business school in the United States for integrating environmental, social, and ethical issues into its MBA programs, according to the Aspen Institute’s 2009-10 “Beyond Grey Pinstripes” report. Meanwhile, The Princeton Review ranked Ross No. 1 for career prospects for graduates in “The Best 301 Business Schools: 2010 Edition.” In addition, Leadership Excellence magazine cited Ross as its top business school for leadership development.
The Ross School of Business is among the best in the world for research and education related to sustainable enterprise, so it should come as no surprise that the school’s new building is now officially LEED-certified by the U.S. Green Building Council (USGBC), a Washington, D.C.-based nonprofit coalition of building industry leaders.

Ross earned a Silver designation on USGBC’s Leadership in Energy and Environmental Design (LEED) rating system, garnering all 36 points that it attempted across six environmental categories: sustainable sites, water efficiency, energy and atmosphere, materials and resources, indoor environmental quality, and innovation and design process.

The LEED rating system offers four certification levels for new construction — Certified (26-32 points), Silver (33-38 points), Gold (39-51 points), and Platinum (52 or more points).

The Ross building received nine points in the indoor environmental quality category, eight points in sustainable sites, six points in energy and atmosphere, five points in innovation and design process, five points in materials and resources, and three points in water efficiency.

Among the specific areas in which Ross scored well:

**Indoor environmental quality:** Air quality management plan during construction and before occupancy; use of low chemical-emitting materials (carpeting, paint); sufficient quantity of lighting; and thermal controls.

**Sustainable sites:** Stormwater management (28-percent decrease in runoff); alternative transportation (local bus lines, bicycle storage, no new parking spaces); and landscape and exterior design (Energy Star-rated roofing material and green roofs).

**Energy and atmosphere:** Optimal energy performance (25-percent better than standard requirements); green power (purchase of Tradable Renewable Certificates equal to 100 percent of the building’s total annual electric energy usage); and use of non-ozone-depleting refrigeration system to cool building.

**Innovation and design process:** Use of recycled construction materials, green power, and green housekeeping program (environmentally friendly cleaning products).

**Materials and resources:** Construction waste management (91 percent of on-site-generated construction waste diverted from landfill) and recycled content (44 percent of total building materials).

**Water efficiency:** Landscaping irrigation systems (potable water consumption reduced by 55 percent) and automatic faucets, low-flush toilets, and waterless urinals (potable water use reduced by 42 percent).

In the United States and a number of other countries around the world, LEED certification is the recognized standard for measuring building sustainability and the best way to demonstrate that a building project is truly “green.”

The LEED green building rating system promotes design and construction practices that increase profitability while reducing the negative environmental impacts of buildings and improving occupant health and well-being. — Bernie DeGroat

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**Ross Wins Architecture Award**

The Society of American Registered Architects (SARA) recognized the Ross School of Business building with an Award of Honor in October. Award winners were selected for meritorious design by a jury of professionals in the architectural and related fields.

SARA presented the national design award to the architecture firm Kohn Pederson Fox Associates, which designed the building. Architect Bill Pederson also received an Award of Excellence from SARA for his work on the Shanghai World Financial Center. —
PBS’ Ifill: Barriers May Exist, but Anything is Achievable

From her vantage point as a broadcast journalist and Washington insider, Gwen Ifill disputes the notion that America has entered a post-racial society and contends that Martin Luther King Jr. would concur. While King certainly would celebrate how far the nation has come — even electing an African-American president — the civil rights leader would focus on what still needs to be done, Ifill says. “Perhaps King would realize his role would always be that of an agitator.”

Ifill delivered the 2010 MLK Day lecture at the University in January. The Ross School co-sponsored the annual event with the University’s MLK Planning Committee.

The managing editor of the PBS series Washington Week and co-anchor for PBS NewsHour acknowledges that race still is an awkward identifier for many, but it’s an important one. Ifill addresses the topic in her book The Breakthrough: Politics and Race in the Age of Obama. “Race is about understanding the value of difference,” she argues. “When King said he didn’t want his children to be judged by the color of their skin, the operative word was ‘judged.’ He never meant that the color of their skin should be ignored.”

Expectations were important to King, Ifill adds. In his 1963 “Letter from Birmingham Jail,” he wrote that people who have seen or experienced injustice cannot patiently sit and wait for change to come. While it’s easy to read the passage and think about how far our nation has progressed from the era of segregation, Ifill argues that doing so misses the point.

“Dr. King is making the case for expectations,” she says. “We all should expect that anything is achievable, if not now, then soon. The barriers are still there. But shining the light of justice, understanding, and tolerance is as necessary as it can be satisfying. And it is the real way to honor Dr. King’s legacy.” —Amy Spooner

Grupo Salinas CEO Stresses Passion over Profits

Ricardo Salinas had a specific message for incoming Ross MBAs during their first week on campus: Don’t think about money. Instead, the CEO of Grupo Salinas encouraged them to figure out the exact point at which their talents and passions converge — what he called their “element.”

“Focus on who you want to be and what you want to do rather than what you want to have,” Salinas said during his keynote speech at the Ross Leadership Initiative’s (RLI) Foundation Session in August 2009. “You cannot be successful in life if you don’t enjoy what you do.”

It became obvious from his presentation that Salinas always has enjoyed what he does at the helm of Mexico City-based Grupo Salinas. The conglomerate houses retail stores and specialized commerce, as well as media, automobile, telecommunications, and financial services companies.

Salinas succeeded his father as CEO in 1987 when Mexico was in the midst of a grave economic crisis. He restructured the company using three guidelines: allow only cash sales, accept lower profit margins, and sell fewer products. Ultimately, he led a group of investors to buy a media package privatized by the Mexican government. Though Salinas had no television experience, Grupo Salinas’ TV Azteca soon was competing with Televisa, the leading major television network in Mexico.

“I knew I was taking a big risk,” Salinas said. “That’s the beauty of youth. You aren’t fully conscious of risk, and you should take advantage of that.”

But he went on to say that the key to business is balance.

“In the business of business, it’s easy to get overly competitive and start doing really stupid things,” Salinas said. “The way to keep yourself in balance is to open your eyes to other things that are important to your community and to be a part of them.”

Salinas’ message was in keeping with RLI’s credo that businesses and communities are interconnected. For his part, Salinas gives back through Fundación Azteca, which helps middle-class citizens gain access to capital, education, and information technology; and through Empresario Azteca, which focuses on small business development in Mexico. The group’s Banco Azteca, meanwhile, caters to a low-income population.

—Leah Sipher-Mann
Remaking the American Dream

Foreign investment in the United States may provide the country with jobs, economic stimuli, innovation, and competition. But it still “touches a raw nerve,” according to award-winning journalist Micheline Maynard, adjunct lecturer at Ross and senior business correspondent for The New York Times. During a recent presentation at Ross, Maynard detailed some of the trends and consequences covered in her new book, The Selling of the American Economy: How Foreign Companies are Remaking the American Dream.

While many foreign investors are looking to the U.S. as a way to skirt high taxes and unions at home, most companies simply are hoping to tap what is still a huge consumer market, recession or no recession.

Maynard says one consequence of increased foreign investment is the incentive bidding wars that emerge among the states hoping to land a big operation. Results are mixed: Ohio’s courting of Honda in the late 1970s resulted in 25,000 jobs, but the jury is out on how well incentives have worked to lure Toyota’s truck plant to San Antonio. And while Michigan has had some success attracting foreign investment, state officials should better leverage its natural resources and engineering expertise, Maynard says.

The growth of foreign investment in the United States always runs the risk of being stymied by protectionism, especially in a recession. But Maynard sees signs this won’t happen on a big scale. She cites the Cash for Clunkers program, which applied to all vehicles, not just American brands.

She also takes heart in the can-do attitude she perceives in today’s business students. “I’m very encouraged when I talk to business students by how much entrepreneurial spirit is out there,” Maynard says. “People aren’t just waiting to be rescued.” —Terry Kosdrosky

From Physicist to Financier

As CEO of the famed specialist insurance market Lloyd’s, Richard Ward deals daily with the risk-reward calculation of business. But it’s on the personal career track that he’d like to see a little more risk-taking.

Ward, a scientist by training, shared tales of his “slightly strange” career trajectory as part of the Leaders in Thought and Action speaker series at Ross in December. He holds a PhD in physical chemistry from Exeter University and was doing research in academia when he decided to go corporate. He convinced British Petroleum (BP) that much of what he did as a scientist applied to business. BP followed his logic, ultimately tapping Ward to move to London to trade in oil derivatives. It was a risky move: Ward had no experience in financial markets or commodities trading.

“My plea to all employers is to give those types of opportunities to their employees when they see it,” Ward says. Eventually he left BP for the International Petroleum Exchange, ascending to COO in 1999. There he led a hard-fought conversion from open-pit outcry trading to electronic trading. It was a risky move: Ward had no experience in financial markets or commodities trading.

“My plea to all employers is to give those types of opportunities to their employees when they see it,” Ward says. “My plea to all employers is to give those types of opportunities to their employees when they see it,” Ward says. “People aren’t just waiting to be rescued.” —Terry Kosdrosky

Political Satirist Mo Rocca Brings Insight, Fashion Sense to Reunion Weekend

As quirky media personality Mo Rocca prepared to deliver the Ross School’s Reunion lecture in September, Dean Robert Dolan posed this question: “Why would a business school invite a speaker who might show up in pink pants?” Answer: To demonstrate the value of good storytelling.

Rocca is a regular panelist on NPR’s Wait Wait ... Don’t Tell Me! and a contributor to CBS’ Sunday Morning. He also has been a contributor to The Daily Show with Jon Stewart.

He may not know much about business school, but Rocca does know just about every world capital. “When I moved to New York to get into show biz, I worked at Macy’s selling fragrances, and I operated on commission. A lot of diplomats would shop at Macy’s, and it was a great way to ingratiate myself,” he said.

Rocca’s capacity to establish common ground with foreign diplomats demonstrates his motto to “know a lot of stuff [but] act like you know even more.” To that end, he encouraged audience members to follow his example and always exude confidence. Sage advice from a man in pink pants. —Leah Sipher-Mann
Into Africa: Business Opportunities Abound

African nations soon could surpass India and China to form the next hub for low-cost labor, resources, and production, according to experts at the first Africa Business Seminar at Ross.

It’s all part of the global value-creation migration that began in the U.S.; moved through Singapore, South Korea, Taiwan, and Hong Kong; and then shifted to China and India, says Allan Afuah, associate professor of strategy. Afuah moderated the seminar, which was a companion to the 34th Annual Alfred L. Edwards Black Business Students Association Conference in December.

“Because their populations are so large, when China and India become too expensive for low-cost production, the effect will be tremendous,” says Afuah. “The next logical place is Africa. The Sahara Desert in Niger alone could provide enough solar energy to power all of Europe.”

Multinationals like Dow Chemical, Levi’s, Siemens, and Google are bringing better jobs, higher salaries, and increased purchasing power to the continent. Some 12 African countries boast a higher gross national income per capita than China, says Ugo Ikemba, MBA ’93. He is managing partner at Vectis Capital, a $44 million fund in Nigeria.

Meanwhile, the role of emerging markets in private equity has been growing over the past four or five years. “Twenty-three major deals have occurred this year alone in sub-Saharan Africa,” Ikemba says. “You never would have seen a number like that a decade ago.”

—Leah Sipher-Mann

Disruptive Business Models Will Drive India’s Growth

C.K. Prahalad, recently named the world’s leading management guru for the second time, is best known for his work regarding the fortune at the bottom of the pyramid. But Prahalad foresees a new shape on India’s horizon.

“I see the emergence of the diamond from the pyramid,” he says, citing innovations that are collapsing the divide between India’s rich and poor.

Indian consumers now enjoy one-cent shampoo, $30 cataract surgery, and $2,000 cars. And whether it’s a stove fueled by biomass pellets or an inexpensive laptop, local technology solutions now produce widespread effects.

“The Netbook was invented for India, but they sold two million Netbooks in the U.S. last year,” Prahalad says. “Innovation will no longer just come from the rich countries to the poor. I see innovation going from poor countries back to the rich.”

Prahalad is the Paul and Ruth McCracken Distinguished University Professor of Strategy at Ross. He presented his vision for “India at 75” during the school’s premier India Business Conference in October. Bharti Airtel, Tata Motors, and ITC North America were just some of the firms represented at the conference.

So how does one develop new strategic capital and fundamentally new ways to compete in India? “You have to create disruptive business models,” Prahalad says. “Ask yourself: Does this model radically alter the economics of the industry? Does it improve functionality? Does it make it difficult for incumbents to react? Does it enlarge the size of the market? And is it sustainable?”

—Deborah Holdship

Latin America: Local Financiers Find Value at Home

Years of economic growth, debt reduction, stability in government, and improved economic policy have contributed to a resilient business landscape in Latin America despite the fallout caused by the 2008 financial crisis, say Ross alumni working in the region. They shared their experiences at the second annual Hispanic and Latino Business Students Association Conference in November.

“The crisis didn’t impact Latin America that much from a capital markets point of view,” says Martin Valdes, MBA ’04, vice president of Latin American investment banking at Citigroup Global Markets Inc.

The crisis actually created new business for local financiers, attractive alternatives to many of the big, international banks, notes Darys Estrella, MBA ’02. CEO of the Dominican Republic Stock Exchange. “This crisis was more of an opportunity for us.”

The Latin American market is a good proving ground to reach low-income consumers at the base of the economic pyramid, adds Daniel Pagano, MBA ’00. He is a regional manager at Natura, a Brazilian cosmetic and hygiene products manufacturer. “It requires a new business model to address this public,” he says, “and Latin America is a great ground for understanding that.”

Outdated regulations present ongoing challenges, says Osvaldo Nascimento, executive director for personal investments at Itau Unibanco in Brazil. “But we are improving.”

—Terry Kosdrosky
Despite the gloomy economic news, it’s still a good time to start a company, according to veteran venture capitalist Ravi Mohan, MBA ’96. “Entrepreneurship and innovation can be brought to any product category as long as you have unique customer insight and you execute relentlessly against it.”

Mohan, co-founder and managing director at Silicon Valley-based Shasta Ventures, presented a keynote address in September at the Ross School’s annual Entrepalooza Symposium. Sponsors included the school’s Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies, the Center for Venture Capital and Private Equity Finance, and the student-led Entrepreneur and Venture Club.

Mohan cited the personal financial management service Mint, the online shoe retailer Zappos, and the cleaning products company Method as three young ventures that entered incredibly competitive spaces and still delivered huge returns.

“You don’t need technology to create a competitive advantage,” Mohan insisted. “Competitive advantage can be created through superior customer insight and by creating products and services that meet those needs.”

Of course, financing is critical to any startup. But fewer than one percent of all small businesses are suitable for venture-capital funding, said Ned Hill, managing director of DFJ Mercury. Entrepreneurs should research federal contracts and grants, as well as other creative options. “Don’t just think ‘VC or bust,’” he said.

Approaching a venture-capital firm for seed or early-stage investment money “is not about a transaction. It’s a relationship you are building,” advised Armando Pauker, MBA ’95, general partner at Apex Venture Partners. “We see many people who are very technology-driven, but you also have to think about the market, the customers, and the business model. We’re investing in a business, not in a technology.”

Hill encouraged entrepreneurs to take heart, despite the grim economic news of late. “The markets are up, and we’re seeing more people coming up for air and putting capital to work,” he said. “We’ve seen a slight upturn in IPO activity and an uptick in M&A activity. More important, people are beginning to pay strategic premiums in some places.”

“Companies are starting to feel more bullish,” Pauker added. “And that’s good news.”

Entrepalooza 2009: Strategies for Aspiring Startups

Private Equity Expert: “Turbulence Creates Opportunity”

Private equity funds have an opportunity to cash in on some good buys in the next five to seven years, and they should start planning now. That’s the reading from Michael Levitt, BBA ’80/JD ’82, founder and chairman of New York-based Stone Tower Capital LLC, one of the largest investment firms in the credit market with about $40 billion in assets.

Levitt delivered the keynote address at the Michigan Private Equity Conference, hosted in September by the Zell Lurie Institute for Entrepreneurial Studies and its Center for Venture Capital and Private Equity Finance.

He notes that prior to 2008, when credit markets were frothy and banks eager to issue loans, they did so without setting strict covenants, such as EBITDA requirements. From 2012 to 2014 many of those covenant-light loans will be coming due, and they’re not candidates for refinancing.

“A lot of it is going to default,” Levitt says, which will create value opportunities for private equity buyers. The problem is that the investor commitment period for many private equity funds expires just before those defaults will occur. Private equity funds are going to have to work with their investors and convince them to stay on to take advantage of a huge opportunity, he notes.

“That’s the conversation I’m having with state pension funds,” Levitt says. “The money expires in two to three years, and the good opportunities will be in two to five years. Most investment funds, when they get close to the expiration period, will draw the capital. That might not be the right decision. The right decision would be to extend that period.

“Turbulence creates opportunity, and the coming wave of maturities creates opportunity,” he continues. “I really believe the next five to seven years are going to be the best time to invest in these sorts of markets that I’ve ever seen.”

—Claudia Capos

STRICT FINANCE CLAWS

During a recent visit to famed financier Warren Buffett at his Berkshire Hathaway headquarters, MBA/MS candidate Adam Carver (left) tapped the Oracle of Omaha’s inner Wolverine. Carver was one of several Ross students who participated in the trip, sponsored by the Entrepreneur and Venture Club.

—Terry Kosdrosky
Zell Lurie Institute Celebrates Decade of Innovation

The Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies (ZLI) at Ross marked its 10th anniversary with the 2009-10 academic year. The institute was established in 1999 with an endowment of $10 million from Samuel Zell and Ann Lurie, on behalf of her late husband, Robert. ZLI counts milestones in the areas of innovation, new venture creation, and action-based learning, as well as the creation of robust funding and grant initiatives for student entrepreneurs. Highlights include:

- Investments of more than $2.8 million in 23 companies by the student-led Wolverine Venture Fund (WVF) and the Frankel Commercialization Fund
- Realization of four successful exits by the WVF (see related story at right)
- Awards of more than $692,000 to 993 students in Dare to Dream grants for student startups
- Awards of more than $1.2 million and the cultivation of thousands of business ideas through sponsorship of student teams at U-M’s Michigan Business Challenge and other competitions
- Matching of more than $1 million in funding to place 203 students in 154 start-up companies and venture firms through the Marcel Gani Internship Program
- Launch of the multidisciplinary course “Innovative New Business Design,” to drive innovation and technology commercialization across the U-M campus and bring together graduate students from engineering, medicine, and business

Providing the stewardship necessary for ZLI to achieve these milestones are Executive Director Tom Kinnear, PhD ’72, and Managing Director Tim Faley.

Kinnear is the chair of marketing at Ross, and the Eugene Applebaum Professor of Entrepreneurial Studies and professor of marketing. He also is president of the Venture Michigan Fund. “We are excited to forge ahead in the areas of clean tech, sustainable investment, social venture creation, and tech commercialization,” Kinnear says.

Faley, an adjunct professor of entrepreneurship, has been a champion of cross-campus developments for coursework and other entrepreneur and innovation centers established at the University. He pioneered the “Innovative New Business Design” course. He also helped establish the U-M Center for Entrepreneurship at the College of Engineering and the Innovation Center at the School of Medicine.

Wolverine Venture Fund Achieves Record $2 Million Return

A series of strategic venture-capital investments in U-M technology spinout HandyLab Inc. has paid off handsomely for the University-based, student-led Wolverine Venture Fund (WVF), part of the Zell Lurie Institute (ZLI) at Ross.

HandyLab, an Ann Arbor-based developer and manufacturer of molecular diagnostic products, was acquired by New Jersey-based Becton, Dickinson & Co. in November, returning a record-setting $2 million to the WVF.

“The greatest benefit is that students get practical experience by using real money to make real investments in real time,” says WVF director Tom Kinnear, PhD ’72. He also is ZLI’s executive director.

HandyLab was added to the WVF portfolio in 2000 when the fund participated in the company’s Series A round. Between 2000 and 2005 the WVF invested $350,000 over six rounds and, upon exit, earned a six-fold, cash-on-cash return. Approximately 100 Ross students participated in the fund’s investment activities.

In March the WVF followed the HandyLab news with its fourth exit when Mobius Microsystems, a leader in precision all-silicon oscillator technology, was acquired by Integrated Device Technology Inc. (IDT). IDT is a leading provider of essential mixed-signal semiconductor solutions that enrich the digital media experience.

In just over a decade, the WVF has invested in more than 18 companies across a wide range of innovative industries. Highlights include the WVF’s total investment of $250,000 over four rounds in Intralase, an ophthalmic medical-device company, which became the first firm in the fund’s portfolio to go public. In 2004 the WVF sold its shares in the initial offering, returning more than $1 million in proceeds and effectively expanding the overall size of the fund to $3.5 million.

Prior to that, the WVF achieved its first investment milestone when portfolio company Versity.com was acquired in 1999.
Ross Professors Help Shape Report on Carbon, Midwest Economic Revival

Professors Tom Lyon and Andy Hoffman were advisers on a new national report examining how the Midwest could add jobs and revenue from changes in U.S. climate and energy policy. American Innovation: Manufacturing Low Carbon Technologies in the Midwest was issued in January by the Climate Group, a nonprofit organization established to find ways to cut global emissions. The report estimates that climate and energy policies could create up to 100,000 new jobs in the Midwest and generate additional market revenues of up to $12 billion, boosting state and local tax revenues by more than $800 million by 2015. These gains were estimated from policy-assisted growth in the wind turbine component, hybrid powertrain, and advanced battery manufacturing sectors.

The report considers the impact of three climate and energy policies: a $17-per-ton price on carbon in 2015, resulting from a cap on emissions; a national renewable electricity standard of 20 percent by 2020; and a green economic stimulus package. It compares job and revenue growth in Michigan, Illinois, Indiana, Ohio, and Wisconsin with and without these policies.

Michigan could see more than 32,000 new jobs created, more than $4 billion in market revenue, and about $244 million in state and local tax revenue through 2015, the report states.

Lyon and Hoffman assisted in designing the assumptions and criteria to undertake the economic analysis, and reviewed the report’s content. Deloitte Financial Advisory Services completed the economic analysis and background research.

Lyon is director of the Erb Institute for Global Sustainable Enterprise, a partnership between Ross and U-M’s School of Natural Resources and Environment. He is an authority on corporate environmentalism and the interplay between corporate strategy and public policy. He is the Dow Professor of Sustainable Science, Technology, and Commerce; a professor of business economics; and a professor of natural resources. Hoffman is associate director of the Erb Institute and an expert on managerial implications of environmental protection and social sustainability for industry. He is the Holcim (U.S.) Professor of Sustainable Enterprise, an associate professor of management and organizations, and a professor of natural resources. —Kevin Merrill

Erb Graduates Publish Book on Hybrid Organizations

An increasing number of today’s business students want to work for companies that are “doing good and doing well,” according to the authors of Hybrid Organizations: New Business Models for Environmental Leadership (Greenleaf, 2009).

“Right now there’s another wave of the green revolution,” says Emily Reyna, MBA/MS ’09, one of five Erb Institute graduates who contributed to the book. “People are realizing we have limited resources and want to work for companies that are cognizant of that.”

While the concept of hybrid organizations is not new, there is a lack of research and literature on how these companies work, say the authors. They were eager to shed light on organizations they define as market-oriented, mission-centered, and focused on the common good.

“They can’t just be a company with one ‘green’ product. They have to be more holistic,” says Daniel Wang, MBA/MS ’08.

Wang, Reyna, and co-authors Brewster Boyd, MBA/MS ’09, Nina Henning, MBA/MS ’09, and Matthew Welch, MBA/MS ’08, worked with faculty adviser Andy Hoffman, associate director of the Erb Institute and the Holcim (U.S.) Professor of Sustainable Enterprise, to collect data from 47 companies that fit their description of a hybrid organization. They chose only for-profit companies and put no restriction on the size or age of the firm. They reviewed business models, strategies, finances, organizational structures, processes, metrics, and innovations of hybrid organizations. Then the team selected five companies for in-depth case studies: Sun Ovens International, Guayakí, Eden Foods Inc., Maggie’s Functional Organics, and PAX Scientific Inc.

The authors conclude that hybrids offer an effective organizational model for contributing to global environmental issues. They argue, “While there may be limits to the speed of growth or scaling for these organizations, they may be more effective and self-sustaining than traditional organizations in meeting humanity’s common challenges.” —Leah Sipher-Mann

Energy Club Seeks to Cut Through Carbon Haze

James Rogers, chairman and CEO of Duke Energy, set the tone at the Ross Energy Club’s second annual Carbon Symposium in September when he called for the U.S. government to make a move on carbon regulations. “I want action now,” he said. Rogers and the North Carolina-based electric power company have been at the forefront in the utility industry of finding workable alternatives to burning fossil fuel and supporting some sort of cap-and-trade legislation. —Kevin Merrill
Tauber Students Optimize Supply Chain for Ametek Inc.

Ametek Inc. expects to save $700,000 in near-term costs by implementing a strategy proposed by students from the Tauber Institute for Global Operations. Ametek, a leading global manufacturer of electronic instruments and electromechanical devices, also projects a 37-percent reduction in inventory, thanks to recommendations by Jialing Li, MSCM ’09, and Claudia Uehara, MBA ’10.

Li and Uehara won the 2009 Spotlight! competition in which teams of business and engineering students partner with a sponsoring firm to tackle an operations challenge. The annual event is coordinated by the Tauber Institute, a partnership between Ross and U-M’s College of Engineering.

The team set out to optimize the supply chain for Ametek’s printed circuit board assemblies (PCBAs), which are used in every product of the programmable power division. They performed a comprehensive make-versus-buy analysis and compared different sourcing options. They also built a model to identify the true cost of sourcing and manufacturing PCBAs. Finally, they narrowed down suppliers based on quality, technology, supplier responsiveness, cost, and supply chain risk.

Li and Uehara recommended and initiated Ametek’s transition to a new supply chain configuration, and developed a risk-mitigation and implementation plan. The potential long-term savings for the programmable power division based on their plan is an estimated $1.7 million per year. The team’s make-versus-buy model also could be used by other Ametek divisions.

MSCM Graduates Its First Class

When the Class of 2009 graduated from the Master of Supply Chain Management (MSCM) Program in December, it marked a milestone for the students and the Ross School. The class was the first group to complete the one-year degree program.

“It is very rewarding to take something from scratch and see it through,” says MSCM Program Director Ravi Anupindi. He is a Michael R. and Mary Kay Hallman Fellow and associate professor of operations and management science. “It was a great joy and very impressive to see MSCM students living up to the challenges of such a short, intense program.”

The introduction of new supply chain classes also has been a boon for MBA candidates looking for deeper immersion in the specialty, Anupindi says. “This gives them a new opportunity for rich electives in supply chain management that did not exist before.”

The MSCM Class of 2010 includes about 56 percent domestic students, up from 33 percent in the first class. In addition, the class is about one-third women, also an increase from 2009.

Operations Experts Find Silver Lining in Downturn

In light of the global economic downturn, business leaders everywhere face increasing pressure to reduce costs, deal with intermittent demand, plan for an uncertain future, and innovate. For operations leaders, it’s a time to shine.

“This is our day,” says Reuben Slone, executive VP of supply chain for OfficeMax. He was a featured speaker at the 2009 Global Operations Conference sponsored by the Tauber Institute. “The biggest challenge in driving innovation hasn’t been finding the idea of what to do, it’s been having the opportunity to get it done. And this is that opportunity.”

And it’s not just new ideas being implemented these days, Slone says. People tend to “get religion” in a crisis, and old concepts that have been floating around for years are finally gaining traction.

OfficeMax, for example, worked with its trucking partner to pack loads more efficiently and rework delivery schedules. The company eliminated 2.4 million road miles from the system through the third quarter of 2009. It now takes minutes instead of hours for a store to unload its shipment, and in-stock scores are the best in company history.

“I do not believe the rate and pace of change would have been possible without the recession,” Slone says. “There would not be the degree of cooperation we’re seeing now.”
**Accolades & Awards**

David Brophy, director of the Center for Venture Capital and Private Equity Finance, was honored with the Lifetime Achievement Award of the Ann Arbor-based Michigan Venture Capital Association. In 1972 Brophy, who also is an associate professor of finance, founded the Michigan Growth Capital Symposium to help diversify the state’s economy.

The Ross School’s Center for Positive Organizational Scholarship received the 2010 Martin Trailblazer Award from the organization and management theory division of the Academy of Management. The award is presented to scholars who have “taken a leadership role in facilitating new scholarship by opening up a new line of thinking or inquiry and by opening avenues for future work. A recipient of the Trailblazer Award is a boundary spanner and conversation starter.”

Cindy Schipani received the 2010 Sarah Goddard Power Award from the Academic Women’s Caucus. Power was a U-M Regent and strong advocate for women within the University. Schipani is the Merwin H. Waterman Collegiate Professor of Business Administration; professor of business law; and chair of law, history, and communication. As a researcher, she has collaborated on work that correlates World Health Organization violence statistics and United Nations rankings of women’s meaningful involvement in the economy. At the University, she has been active in women’s issues, serving on the President’s Advisory Commission for Women’s Issues from 1999-2005 and the Women’s Advisory Research and Mentoring Committee at the Ross School.

Tom Schriber gave the “Titan of Simulation” keynote address at the 2009 Winter Simulation Conference held in Austin, Texas, in December. His topic was “Simulation for the Masses: Spreadsheet-Based Monte Carlo Simulation.” Schriber is a professor of business information technology and has taught simulation in the MBA Program for many years (counting among his former students current Ross faculty members Tom Gladwin, Michael Gordon, Tom Kinnear, and Dennis Severance). Schriber holds the INFORMS Simulation Society’s Lifetime Professional Achievement Award.

Kathleen Sutcliffe recently received a grant from the Robert Wood Johnson Foundation for the study “The Medicalization of Patient Safety,” co-authored with Robert Wears, M.D. She and Wears are among just 200 individuals who have received this award since 1992. Sutcliffe is the associate dean for faculty development and research at Ross. She also is the Gilbert and Ruth Whitaker Professor of Business Administration and a professor of management and organizations.

**Claes Fornell Honored in Sweden**

The Stockholm School of Economics awarded Professor Claes Fornell an honorary doctorate at its centennial celebration in September before King Carl XVI Gustaf and Queen Silvia of Sweden. They hosted 1,200 guests at the Blue Hall of Stockholm City Hall, the venue that hosts the Nobel Prize dinner each year.

Fornell is the Donald C. Cook Professor of Business Administration and director of the National Quality Research Center. In addition, he is the director of the American Customer Satisfaction Index, a national economic indicator of customer evaluations of the quality of products and services.

“I have greatly appreciated the honorary degrees I have been awarded from universities in other countries, but for me, nothing compared to the honor of receiving this recognition from the leading school in my home country — at its 100-year anniversary in front of the King and Queen,” says Fornell.

**Frey Family Celebrates Deanship**

In 2008 the family of Edward J. Frey, AB ’32, established the Edward J. Frey Deanship of Business. Dean Robert Dolan is the first to hold the title. In October 2009 members of the Frey family gathered to celebrate Edward’s memory and commemorate the endowment, with gifts now valued at $5 million.

Based in Grand Rapids, Mich., until his death in 1988, Edward Frey for decades helmed the Union Bank and Trust Co. (now JPMorgan Chase) founded by his father in 1918. He was an early innovator in the banking, finance, and insurance sectors. In 1974 Edward and his wife, Frances, established the Frey Foundation, one of Michigan’s largest private family foundations, with grants now aggregating $100 million.

“Ed Frey loved the world of business, and he was a champion, advocate, and enforcer of the highest ethical standards,” says his son, David, chairman and trustee of the Frey Foundation. Throughout his life, says David, Edward remained the “quintessential son of Michigan.” He was laid to rest in a navy blazer with a maize and blue tie.
Ross Community Remembers Friends and Colleagues

Katherine Terrell, professor of business economics and public policy, died from respiratory complications in December. Terrell, who taught at both the Ross School and the Ford School of Public Policy, was an expert on the impact of government policies and the effect of globalization on wages, employment, income inequality, and firm performance in emerging market economies.

She directed the international business PhD program at the Ross School and created the International Economic Development Program at the Ford School.

Marina Whitman, also a professor at both Ross and the Ford School, describes Terrell as a person of remarkable courage. “She carried a full teaching load and was extremely active in research and organizing conferences, despite health problems that most of us would have found totally daunting.” She was a “wonderful colleague and friend,” says Francine Lafontaine, professor and chair of business economics, and professor of public policy.

Terrell was married to Jan Svejnar, who also teaches at Ross and the Ford School, where he heads the International Policy Center. They are the parents of two grown children, Daniel and Laura, both U-M graduates.

In addition to her research, Terrell consulted with many international organizations, including the World Bank. She also was a research fellow at the Institute for the Study of Labor in Germany, a visiting researcher at the Center for Economic Research and Graduate Education at Charles University in Prague, and, previously, a research associate at the Center for Economic Research in London.

Terrell joined Ross in 1996 and the Ford School in 2001. She was an active faculty affiliate of U-M’s Center for Latin American and Caribbean Studies, and the Center for Russian and East European Studies.

In her honor, the Katherine Terrell Svejnar Endowment Fund for International Education, jointly held by Ross and the Ford School, will support graduate students doing international work.

Gifts can be made to the Katherine Terrell Svejnar Endowment Fund for International Education, University of Michigan, 735 S. State St., Ann Arbor, Mich., 48109 or online at www.giving.umich.edu/give/ford.

Rob Koonce, director of undergraduate student affairs, died in November. He also was executive director of the school’s MREACH program (Michigan Ross School of Business Enriching Academics in Collaboration with High Schools).

Koonce joined the Ross staff in 2004 and quickly established a larger-than-life presence advising, counseling, and mentoring students in the BBA Program. As executive director of MREACH, Koonce also was instrumental in bringing southeast Michigan high school students to campus for an action-based introduction to business education and careers.

He was a “man on a mission” who would do anything for his students, says Karen Bird, a lecturer at Ross. Student-athlete Zoltan Mesko, BBA ’09, says Koonce changed his life: “He took my goal of getting into business school seriously.”

Koonce earned his master’s degree in higher education from U-M in 1994. He played football at Union College for four seasons (1982-85). Prior to Ross, he worked in the athletic departments at the University of Pennsylvania, Tulane University, and the University of Maryland. While pursuing his master’s, he worked in the University’s athletic department as an assistant academic adviser.

In his memory, the school has established the Robert Koonce BBA Scholarship Fund. “It is a fitting way to honor his passion and commitment,” says Dean Robert Dolan. To contribute, please call 734-763-5775.

Rosie Givens, program associate for the Evening MBA Program, passed away in August 2009 after a valiant battle with cancer. Givens worked at Ross for four years, where she built genuine connections with several cohorts of Evening MBA students. Prior to Ross, she worked for Dana Corp. for 27 years as a research analysis manager and treasury specialist. At age 53, she went back to college and earned her bachelor’s degree in business marketing.

“Rosie is a great loss to the program and to so many of us personally,” says Paul Clyde, academic director of the Part-time MBA Program. “She was extremely competent, dependable, and meticulous. Before we even hired her, she came to an information session and was in the back greeting everyone as they walked in. It took a very short while for me to realize that, in addition to the other attributes she brought to the position, her ability to interact with the people affiliated with the program — especially the students — was her greatest strength.”

Givens also was a loving daughter who helped her parents make the down payment on their home and collaborated on the business plan to launch their dry cleaning operation. ✗
“It’s the first good news of any great consequence to have come their way in years.”

GERALD MEYERS, adjunct professor of management and organizations, on double-digit sales gains experienced by GM and Ford in January following Toyota’s massive recalls.
—msnbc.com, Feb. 4, 2010

“Think about it from the insurer’s perspective. If somebody says you have to cover everybody from day one, well that creates an incentive for consumers to wait until they’re sick or pregnant to buy insurance. That’s like buying homeowner’s insurance after your house burns down. The plan has to collect enough money to pay everyone’s healthcare bills, and if they are all sick, you have to collect a lot of money.”

THOMAS BUCHMUELLER, Waldo O. Hildebrand Professor of Risk Management and Insurance, and professor of business economics and public policy, on politicians’ suggested healthcare coverage ban on pre-existing condition exclusions.
—consumerreports.org, Jan. 27, 2010

“Bristol-Myers’ chief executive Jim Cornelius basically says, ‘I’m going out moose hunting.’ Eli Lilly isn’t going hunting or maybe will shoot a rabbit. And then AstraZeneca says, ‘We have no bullets, so we’ll give the gun back to the shareholders.’”

ERIK GORDON, clinical assistant professor of entrepreneurial studies, on Bristol-Myers Squibb’s chairman/CEO talking about the cash he has available to buy prime assets.
—abcnews.com, Jan. 28, 2010

“In 2008 companies in the financial sector contributed over $475 million to congressional candidates, the largest amount ever contributed by this industry and the second-largest figure among all U.S. industries.”

DENIS SOSYURA and RAN DUCHIN, assistant professors of finance, on conclusions from their study of the possible connection between government bailouts and banks’ political donations.
—Deal Journal blog.wsj.com, Dec. 23, 2009

“Anti-trade fervor always rises to the fore when you have a bad economy. This is a standard response, particularly from politicians in an election year.”

LINDA LIM, professor of strategy, on an outbreak of protectionist fever in Washington, D.C.
—NPR, Morning Edition, March 5, 2010

“Not every company or every position needs to embrace innovation. For example, you don’t necessarily want an innovative accountant.”

THERESA WELBOURNE, adjunct professor of executive education, about whether or not companies should encourage employee side projects.
—inc.com, Jan. 25, 2010

“This is a stark and fresh look at the ramifications of the stock market crash on the fiscal situation in the federal government and states.”

JOEL SLEMROD, Paul W. McCracken Collegiate Professor of Business Economics and Public Policy, professor of economics, and director of the Office of Tax Policy Research, commenting on IRS data that shows Americans reported $447 billion from capital gains in 2008, down from $749 billion in 2007.
—Bloomberg BusinessWeek, March 2, 2010

“It’s not that women are worse performers on boards, but rather that the supply of women candidates is not the same as the supply of men. It’s disappointing in this day and age, but it seems to show that the glass ceiling is still in place.”

AMY DITTMAR, associate professor of finance, regarding her study of Norwegian firms required by law to add more female directors to their boards. Results showed boards grew younger and more inexperienced, and performance declined.
The modern consumer faces a marketplace jammed with hundreds of thousands of products. Companies bombard the buyer from every angle in an effort to stand out, capture market share, and establish brand loyalty. Efforts range from the traditional to the viral to the outrageous.

But what do people even remember? What do they respond to? “A sensory signature,” says Aradhna Krishna, Dwight F. Benton Professor of Marketing. Appealing to the consumer’s multiple senses, including touch, taste, smell, sight, and sound, can help establish a deep sense of brand loyalty that resonates long after the marketing message has been sent, Krishna says. A few iconic brands have been at it awhile: Think Tiffany, and a palette of pale turquoise comes to mind. Think NBC, and you hear a distinctive chime. Most recently, Apple cut right to the sensory chase, naming its product the iPod Touch.

In the new book Sensory Marketing: Research on the Sensuality of Products, Krishna has compiled the first volume of cutting-edge research that brings together the field of sensory marketing’s core pioneers. “Researchers had been working in isolation on different senses,” she says. “I thought there should be a field that included all those elements.” In 2008 many of those researchers attended the first sensory marketing conference, which was held at Ross and organized by Krishna. In the following Q&A, she explains how firms can capitalize on sensory marketing strategies to build better relationships with customers.
DIVIDEND: Sensory marketing has been called the next frontier of marketing. Why is it important for people to understand and research sensory marketing?

KRISHNA: In the 1970s people talked a lot about branding as the most important product differentiator. Firms realized that brands could command a premium, and the marketing focus shifted to creating brand names. One memorable example is Levi's. Everybody wanted to wear Levi's because of the brand recognition.

Sensory marketing is more subconscious. All your senses are responding to a stimulus. Take the case of Play-doh. You smell it and immediately feel an attachment. It evokes many of your childhood memories, and you feel very close to the brand. You are responding in an automatic, subconscious way. In that case, the brand is able to build a better relationship with the consumer by using a particular sense.

Sensory marketing will persist because senses can affect the marketing of products in many ways. For instance, sense can be used as a symbol or signature (Tiffany's blue), for arousal (when artificial smells are sprayed in cookie and pizza stores, or when Abercrombie & Fitch plays loud music to attract teenage customers), or even for making an invisible product visible (such as the Intel Pentium chip with its signature sound). In fact, sensory aspects of products affect us in ways we had never imagined.

DIVIDEND: Why haven't the sensory aspects of products been emphasized as much in the past?

KRISHNA: I think people were overly focused on the visual aspects of products. They somehow ignored the others. No one had thought consciously about sensory marketing. People were being impacted by other senses then, but companies were not doing enough in terms of creating the brand, the packaging, the advertising, etc. to really engage all the consumers' senses.

But certain things were being done, just without conscious knowledge. For example, perfume bottles have been elaborate for a long time, and people's desire for the perfume was affected as much by the bottle as by the perfume itself.

Another example of early sensory marketing is the NBC logo. When you hear those three notes, you instantly recognize it. That chime was created in the 1930s. But now firms are saying, “Wow, that’s such a memorable sound. Look at what sound is doing for NBC. Maybe with our product, we should create a logo with such a sound.” That kind of recognition wasn’t there before. People are starting to engage the senses more consciously now.

DIVIDEND: What tips do you have for a company with a new product that wants to take some first steps toward marketing more sensorially?

KRISHNA: They have to really try to understand their product and their marketing efforts. They should ask themselves, “Which senses am I engaging with my marketing efforts? Can it be done any differently? Can I somehow engage the consumers' auditory sense? Can this product be made more engaging from an olfactory perspective?”

You really have to look at every aspect of your product, along with the packaging and the advertising, and then assess how it can be made more sensorially engaging.

DIVIDEND: How can firms keep the senses in mind when creating a new product?

KRISHNA: Look at the example of the iPod Touch. I think it's a brilliant effort because just by calling it “Touch,” they've already started marketing it sensorially. In all their advertising, they keep emphasizing the touch element. The important lesson from the iPod Touch is how Apple has managed to direct attention to that element of the product in such a way that it creates an emotional connection with the consumer. The product is so sensorially engaging that it is no longer just an MP3 player but more like a cherished pet. In fact, iPod Touch owners may wince if I call it a gadget, since they think of it as much more than a gadget.

With iPod Touch, the name itself clearly emphasizes touch, but Apple also has very cleverly utilized the good feelings that go with touch in their product descriptions. For instance, in describing their design they say, “iPod Touch feels even better in your hand”; when describing the mobile games they state, “iPod Touch puts an amazing gaming experience in the palm of your hand.” The ads imply that the touch of the user's finger is very powerful — with a single touch the user can access the Internet, look at a map, order dinner, and do a plethora of other things. Apple has used touch, beyond the physical property of touch, to create stronger emotional attachments, build a closer relationship with the consumer, and generally make the product more exciting.

DIVIDEND: How can marketers avoid overstimulating consumers? Do products have to use a specified sense in marketing efforts (e.g., taste marketing only can be used for food products)?

KRISHNA: One concern is overstimulation from one product, and another concern is overstimulation from the
environment. Consumers already are overstimulated from the environment. They constantly hear different sounds, smell different smells, etc. Marketers have to figure out how they can stand out.

From a product perspective, there should be one or two senses for which a product is better known. You can explore all the sensory aspects, but there are many senses you can’t engage. Most of the time you can engage the taste sense only if it’s a food item. But there are some exceptions. For example, some commercials for Axe deodorant show a man made of chocolate. When they show the chocolate man, they’re trying to engage the taste sense, even though you can’t eat the product. So you can engage a sense even if you don’t have it within the product itself.

You have to pick the senses that are more appropriate for your product. But then again, sometimes you can take the senses that are inappropriate just to stand out. It depends on the product.

**DIVIDEND:** Different cultures have different associations with certain smells, tastes, etc. How can marketers be sensitive to cultural differences?

**KRISHNA:** Culture plays a huge role in sensory perception, especially our sense of smell. Your likes and dislikes of certain smells are dependent on what you were exposed to in your cultural setting.

For example, there’s a fruit called the durian. It has a very unique and strong smell, similar to a strong Camembert cheese. For some people the smell is extremely unpleasant. In fact, it is considered so disgusting in some places that it is not allowed in air-conditioned buildings or on airplanes. However, other people love the smell of durian because they’ve grown up eating it and loving its taste. So it depends on the culture.

Similarly, the smells associated with certain occasions and moods vary by culture as well. Certain flowers may evoke associations of funerals in one culture, but happy celebrations in another. Another example is menthol. The smell of menthol is considered fresh in the U.S., but in the U.K. it’s a medicinal smell. Marketers need to be aware of those differences.

**DIVIDEND:** What piece of research was most intriguing for you when compiling the book?

**KRISHNA:** The creation of the field was the most exciting part for me. Within academia, researchers had been working in isolation on different senses. Some people were doing research in smell, some in vision, etc. I thought there should be a field of sensory marketing that included all those elements. It really wasn’t present before. Now there’s this established field of sensory marketing within academia.

I organized a conference to bring together all these marketing researchers, along with cognitive psychologists and neurologists who worked in different senses (conference website: www.bus.umich.edu/sensorymktg2008). The book followed the conference. Many people from the conference contributed to the book, so we have a very good overview of all the pertinent research that has been done in every sense.

**DIVIDEND:** Where do you see the field going next?

**KRISHNA:** I see business practitioners really picking up on sensory marketing in the U.S. I get calls from companies and consultants all the time. The field is at a more advanced stage in Western Europe, especially the U.K., France, and Italy. It also has excited the public in Europe. For instance, the BBC is working on a sensory marketing series, as is a Dutch TV station. Business schools soon will follow this trend. Luckily, Ross is ahead of the game. Right now we are the only business school that offers a sensory marketing course. In the future, many more business schools will offer them.

**DIVIDEND:** What do business practitioners have to gain from employing different aspects of sensory marketing?

**KRISHNA:** They can make their product stand out. The product will be more appealing to consumers. You make your product more sensorially engaging, you attract more people, and you keep them loyal to your brand. Once a consumer gets attached to a particular sensory aspect of a product, they’ll be less likely to give it up.

—Leah Sipher-Mann
Introducing environmental considerations to a firm’s supply chain often can be a source of innovation and competitive advantage. It also can be a huge challenge, since tasks within a supply chain are interlinked. One sustainability initiative may have ripple effects not only within the firm, but also across firm boundaries and geography. In the following Q&A, Ravi Anupindi, program director of the Master of Supply Chain Management Program, assesses the risks and benefits of greening a company’s supply chain. Anupindi is a Michael R. and Mary Kay Hallman Fellow and associate professor of operations and management science.

**DIVIDEND:** What defines a green supply chain?

**ANUPINDI:** The classic model consists of the following phases: plan, buy, make, move, and sell. When you take environmental issues into consideration, not only does it affect how these phases are executed, it also expands the model to add the consumption phase. In general, you wouldn’t think how a product is consumed would have anything to do with the other phases. The environmental footprint of consumption is influenced by the design of the product, which in turn affects how the supply chain works in terms of cost, complexity, and efficiency. Environmental considerations also add a post-consumption phase of return, reuse, and/or recycle. Adding these phases in a supply chain starts a reverse flow, transforming the supply chain into a closed-loop system.

**DIVIDEND:** What is leading companies in this direction: altruism or the bottom line?

**ANUPINDI:** There are three key drivers: regulation (or fear of it), efficiency, and customer opportunity. The present concern is that being green equates to higher cost. But there’s a lot that can be done right now in terms of making...
supply chains more efficient and reducing the environmental footprint. It doesn’t have to be altruism. Go back to the early days of quality. People thought higher quality meant higher cost. The Japanese showed that’s not necessarily the case. You can have better quality and sell for a cheaper price. Similarly, in the early days of the environmental movement, being environmentally friendly meant reducing pollution. The mindset was that reducing pollution costs money; therefore, it’s not good business. Now we know we can do both — reduce costs and do better on the environmental side — at least to a certain degree. The lean revolution in manufacturing, with its singular focus on reducing waste, has obvious environmental benefits. One example is when a firm recovers energy for alternate uses within the plant. We have done several such projects through the Tauber Institute for Global Operations. Many of these examples are localized in the sense they are within a plant, so not everything ripples across the supply chain. But it need not be localized.

Bringing environmental issues into the mix fundamentally changes some of the trade-offs. This trade-off of altruism — “I’ll do this, even though it might cost me more, because there are other societal benefits” — is an issue that comes up only if a firm is on the efficient frontier. And as the quality movement showed, most companies were not on the efficient frontier when they started their quality journey. Similarly, a lot of companies are not on the efficient frontier in terms of environment and cost right now. Therefore, we can find lots of sources for improvement without sacrificing on the cost structure.

DIVIDEND: But going even a little wider seems to have ripple effects. For example, OfficeMax wanted to cut fuel costs and reworked its delivery schedule to make fewer stops at stores. That included overhauling packaging, store staffing, and how the truck is loaded and unloaded. That one decision touched so many parts of the operation.

ANUPINDI: Most supply chains today are global. Therefore, one needs to take a holistic supply chain perspective. The example of OfficeMax shows the interconnectedness of decisions. In long-distance transportation, some companies are asking, “Do we need to move by road? Maybe we can move by rail, which gives us better fuel efficiency.” Consideration for the environment also has brought a new focus on packaging. Packaging is necessary to protect a product during shipping; it also offers a better product appeal to the consumer. But rarely was an analysis done on how much packaging is enough. Why do we need to think about it now? Because if we reduce the amount of packaging we use, maybe we get 20 products on a truck instead of 10 and we can run half as many trucks, reducing cost and emissions. So it’s a new thought process that comes in at every stage of the supply chain.

Walmart has launched a big sustainability initiative whereby it aims to reduce its environmental footprint through various initiatives in facilities management, transportation, and sourcing. But green sourcing implies that suppliers need to reduce their environmental footprint. Suppliers’ readiness and willingness to undertake such efforts may vary. If suppliers are successful in reducing their energy use, for example, then the buyer may benefit from a reduced environmental footprint and/or reduced cost. So suppliers’ efforts benefit the buyer.

DIVIDEND: Does that tend to create friction through the supply chain if a big customer starts demanding more sustainability practices from its suppliers?

ANUPINDI: Yes, and here’s where the tension might come up. I teach a case on Walmart’s sustainability work in my class. Their effort is quite comprehensive, and one of the things they are doing is trying to get all the major suppliers on board and move toward what they call a sustainability index. It’s still unclear where the index is going to go, but as a first shot they have asked their suppliers about their sustainability efforts. Some suppliers may be fearful about the purpose of that inquiry because they don’t know how the information they provide is going to be used. It’s a big issue, so the idea that the company needs buy-in is important. Part of the buy-in partially depends on what its relationship with the supplier has been so far. Suppliers in an arm’s-length relationship with their buyers may get suspicious of sustainability reporting initiatives undertaken by a buyer. So that is...
a legitimate concern. Another concern: How is the firm going to measure a footprint? Currently there is no universal standard on measuring Scope 3 emissions. If it’s left to the suppliers, Company One might use Protocol A, Company Two might use Protocol B, so what is the comparison? Finally, some buyers are asking suppliers to report their footprint at a component or product level, an onerous task for a supplier to estimate.

But having said that, the forward-looking suppliers already are doing what they can to reduce their environmental footprint. The issue that comes up is reporting that to the buyer, and at what level.

DIVIDEND: Would one solution be to get the industry groups or trade associations to set standards, as long as there’s no collusion under the law?
ANUPINDI: It has to come from that level. Otherwise it’s not going to move. Getting consensus is not going to be easy.

DIVIDEND: What companies have been leaders in promoting a green supply chain, and what can we learn from them?
ANUPINDI: REI, Starbucks, HP, Cisco, Walmart, and Dow are some names that come to mind. There are many others — large and small. In terms of lessons learned so far: First, there has to be a clear internal alignment between economic and sustainability concerns; this has to come from the top. Sustainability should not be the sole responsibility of a sustainability group. Sustainability thinking should permeate the entire organization. We learned from the quality movement that quality is not solely the responsibility of the quality control group; it is every employee’s responsibility. Second, since sustainability is impacted by the entire supply chain, firms across the supply chain need to develop better coordination mechanisms and move away from arm’s-length to longer-term relationships. Third, firms need to develop the capability to work with different types of organizations, including nonprofits, environmental action groups, academia, etc. Finally, sustainability could be a source of innovation — in both process and product — and hence a source of competitive advantage.

DIVIDEND: What kinds of issues are being researched in the field along those lines?
ANUPINDI: Within the supply chain field this is new and old. There has been a lot of work in the last decade on the reuse and recycle process. How does a firm structure this? How does it even think about collecting the products from the consumer and recycling? What is the best way to collect and move them through the system? What is the reuse potential? Now companies have to think about product returns: Does it affect how they design their forward distribution to get products to consumers? That is one area of research: the shift toward recyclable conveyances to move a product across the supply chain, e.g., moving products in cardboard boxes versus moving them in recyclable plastic containers. Consider watermelons, which move in these big cardboard containers. The box is bought by the farmer. It is sent to the retailer, and it is up to the retailer to dispose of that cardboard. But if the company uses a recycled plastic container, the container has to go back to the beginning of the supply chain from the retailer. What was an open-loop supply chain has become a closed-loop supply chain. Instead of the product being recycled, an asset is recycled. That opens up new questions: Who owns the asset? How should the asset be deployed? Is it ownership transfer or is it a lease model? If so, who’s going to lease it? Who owns it — the manufacturer, the retailer, or the farmer? How many assets need to be deployed, and who’s going to track them? Who is responsible if the asset gets damaged? These are issues people never thought about. There are solutions and models out there, but it’s a big challenge to get everyone on board to agree to a solution.

Measuring an environmental footprint accurately is a big issue. It is relatively easier to measure a footprint at a firm/facility level. But most buyers are requesting that footprint information be provided at a components or product level. Estimating this is not a trivial task. It has parallels in accounting. In accounting the challenge is, “I have this big overhead cost. How do I allocate it?” Maybe there are different allocation systems that have better or worse efficiencies. We can follow a similar approach; however, this is an open area of research.

Then there is the issue of how regulation impacts operations. Product take-back regulations have been passed in Europe. How does it affect the design of the product? If there is product reuse or remanufacturing, there are going to be two versions of a product, new and remanufactured. How does a company price these? How much capacity should be allocated between those two? All those issues are coming to the forefront of research. —Terry Kosdrosky
Q: What are you thinking about?

A: KEEPING ENTREPRENEURSHIP ALIVE

As policymakers seek ways to prevent another economic crisis, business leaders worry about collateral damage caused by narrow political thinking. A well-meaning attempt to boost the credibility of financial markets via regulation may produce the unintended consequence of squelching innovation. Erik Gordon, clinical assistant professor of entrepreneurial studies, has served as an adviser to or co-founder of numerous companies. His areas of interest are entrepreneurship and technology commercialization, including strategy, marketing, mergers and acquisitions, private equity and venture finance, alliances and joint ventures, and intellectual property strategy and licensing. Talk from the nation’s capital has him concerned about the future of entrepreneurship. He thinks more good research on the subject is key in order to enlighten policymakers who may “have no idea how the business engine works.”

What are you thinking about? One of the things I’m thinking about is how society can reap the benefits from entrepreneurial innovation in an era driven by random, desperate cost-cutting, and by government backlash against people who want to make money.

Why is this interesting to you? I think we need more entrepreneurship. Whether you’re talking about Michigan, the United States, China, or a developing nation, the future well-being of the people depends on their ability to innovate as entrepreneurs. The backlash right now is aimed toward Wall Street, but some of the remedies that are being proposed in Washington, D.C., actually hurt entrepreneurs. If policymakers change tax structures, if they change the way financing is available, if they make risk and reward dirty words, that hurts entrepreneurs and all the people who benefit from the innovations those entrepreneurs bring to society. The healthcare debate is a good example. Many advances in healthcare are entrepreneurial innovations. That’s true whether it’s within a big company or a small firm. Now we are in an era of desperate flailing, hoping to cut healthcare costs. Some of the proposed reforms eliminate the incentives for taking the giant risks of being an innovator. How can we do that and expect to keep seeing progress? I think we’ll see a lot less progress if this trend continues. People sometimes complain about pills that cost $400-600 a month. It seems like a lot of money, except that the pills replace surgery that could cost $160,000, and the results are not as good as taking the pills. Then, three years later, the patient needs another operation. If you cut costs stupidly, it ends up being very expensive.

What are the practical implications for industry? I think we are going to find out that innovative entrepreneurs are responsive to the incentive framework that’s put before them. Most people are. If this framework is uncertain or negative, we’ll have fewer people taking risks and less innovation. I come from a family of scientists, and I’ve always had this sense that you use whatever talents you have to try to make things better for society. So what can we, who apply our talents to business, do to make sure we use the business engine of society — which is a powerful engine — to improve our lives? What can we do to make sure people who intend the best — but don’t understand how the business engine works — don’t screw things up? Many people in policy have no idea how business works. If you knock out the business engine and leave it to the nonprofit side to improve society all by themselves, you’re asking the nonprofits to carry the whole load, and that’s tough. You really want the business engine to be able to do its part. I grew up thinking that way, and I still think that way.
What are you thinking about? I’m looking at how corporate governance affects a company’s risk level and, therefore, returns on the company’s shares. Most research connects a firm’s observable characteristics with returns. Those are things such as size and book-to-market ratio. But those characteristics are consequences of corporate policies in response to economic fundamentals. So what I’m trying to do is fill in the firm’s policies — how they invest, what kind of business they are doing, and how they finance their projects. Then I look at how those actions will generate such characteristics as historical returns, size, and book-to-market. In my mind, all those firm characteristics are reflections of corporate policies.

So I’m looking to answer the following: If we examine how well the managers of the firm are monitored by the board and corporate bylaws, how does that affect how the managers invest, how they choose to finance their projects? Then how does that impact the firm’s returns? There are some corporate governance measurements, and there’s a hypothesis that managers tend to over-invest, that they want to manage a larger firm so they can have more personal perks. Spending too much on an acquisition to get bigger or not scaling back production during a recession are examples of over-investment.

What my theory predicts is that during economic booms, when things are going relatively well, firms where management is not well-monitored tend to over-invest in new opportunities, and that reduces the firm’s risk level and expected returns. So even though they are spending more than they should, the risk level goes down because that’s a weighted average between a company’s existing business and the new investment. Not investing at an optimal level in the new venture (i.e., overpaying) means that venture has a lower option value. The lower the option value, the lower the weighted average risk level and the lower the expected returns.

The firms with better corporate governance invest closer to the optimal level and have better expected returns in a good economy.

What’s interesting is that this is reversed in recessions. During a recession, a company should reduce production. But companies that tend to over-invest don’t scale down as much. Scaling down production is a hedge against the bad economic shock, and it works like insurance. It reduces a firm’s risk level, whereas not cutting back on production increases the risk, which means investors require a higher return. So in a recession, firms with poor governance actually will have higher returns because their risk average is higher. So this relationship between governance and returns is time-variant. It varies with the business cycle.

Why is this interesting to you? Corporate governance is an important and exciting topic, especially after this financial crisis. I’m really trying to find out how to keep management disciplined and how that affects firms’ performances. There’s a lot of work in this area and a lot of empirical papers, but not a lot of conclusive results. Some people find a positive relationship, some find a negative relationship. From a theoretical point of view, I think we need some guidance to do the empirical work, and looking through this I realize there is no single, one-directional relationship.

What implications do you see for industry? This has practical applications because if you want to look at the relationship between governance and returns, you really have to distinguish whether we are in an economic boom or a recession. If you just run a regression over a long period of time without distinguishing the business cycle, what you’re going to get is nothing. A lot of people are looking for ways to forecast returns, and this gives some theoretical guidance.
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a:

Innovation

Cut costs. Hunker down. Ride out the storm and live another day. All standard reactions in a recession. But breakthrough innovation doesn’t follow rules or standards.

Innovators cut against the grain. They see opportunity amidst tumult; a chance to forge a little order amidst a larger chaos. Some see opportunity in a market. Others spy it in a technology, a process, or an existing company. There are many ways to define innovation. But any true definition embraces the impact of guts, timing, and luck.

Innovation is not for the faint of heart. It’s certainly not easy. But it can be exhilarating. In the following pages, you’ll meet Ross alumni doing everything they can to seize the day: entrepreneurs taking personal and financial risks to transform nascent ideas into thriving businesses, financiers nurturing the next generation of growth firms, and innovators finding new value streams inside global corporations.

They’ve all got guts. They’ve all got timing. As for luck, these Ross alumni are making their own.
How do you build up when the market melts down?
Jeffrey Rich, BBA ’82, sees potential where others see panic. He co-founded the Dallas-based investment firm Plumtree Partners LLC in the throes of the economic downturn. “When the market started melting down in September 2008, I called my [current] partner and said, ‘Quit your job. Now’s the time,’” Rich says. “I’ve never been able to make money with the herd. When everybody is running for the door, that’s the time to invest.”

Rich and his partner Todd Furniss, former president and COO of management consulting firm Everest Group, could be called innovation hunters. They are combing the economic landscape for places where the recent crisis has spurred creativity and competitive advantage. They are looking to invest in mid-size firms, mostly in technology services, that are ready to take the next step – say from $10 million in revenue to $100 million.

Companies born from an entrepreneur’s brainstorm often hit a snag in that delicate segue from medium to large enterprise. Some need more management discipline, some need contacts at bigger customers, and others need wholly new processes and systems. It’s one of the toughest transitions for most organizations, and it’s the sweet spot for Plumtree Partners.

“The difference between $10 million in revenue and $100 million is night and day,” Rich says. “Companies have to make an evolution every $100 million or so. You wonder why big firms have bureaucracy. It’s because they need it in some respects. But what’s necessary for large companies will kill a small company. You have to know what stage you’re in.”

SEEK AND DEPLOY Rich developed his instincts for identifying innovation during his tenure as CEO of Affiliated Computer Services (ACS) from 1999 to 2005. ACS is one of the largest business process outsourcing firms in the world. While growing the firm from $800 million in revenue to $5.3 billion, ACS kept tabs on the small, nimble entrepreneurs grabbing market share. Rich and his staff scouted and acquired several entrepreneurial competitors as a way to accumulate new ideas and products.

“If we liked what they were doing long-term, we’d acquire them,” Rich says. “It’s probably more expensive to do it that way, but it’s safer. It’s like buying oil production instead of drilling new wells. I pay more, but I know for sure there’s oil in the ground.”

Rich left ACS intending to go into private equity. But he nixed the idea after concluding the field was over-funded. So he pursued the development of a late-stage investment fund with friend and colleague Furniss. Since founding Plumtree, the partners have focused on two primary targets: technology services and the emerging Brazilian market.

“Running a large company is like running a battleship,” Rich says. “Here, we can wake up every morning and shift gears if we want to. We get to choose what we want to do every day.”

For now Rich is choosing the software-as-a-service (SaaS) space because he sees cloud computing as the next big era in technology. The idea is that one can tap into a “cloud” of available computing services to fulfill both personal and business-related needs. Instead of purchasing, installing, and hosting pre-packaged software, companies will pay to access services from an off-site host.

To that end, Plumtree recently invested in BirchStreet Systems, which runs a Web-based purchasing program used by hotels, restaurants, and other hospitality businesses. Plumtree also invested in the SaaS company Kudzu Interactive, which automates take-out orders for the restaurant industry.

WORLD VIEW Outside the U.S., Rich once again has distanced himself from the herd. While other investors chase opportunities in India and China, Plumtree is mining options in Brazil. The country is enjoying a period of economic stability and growth, is home to an expanding middle class, and hosts several multinational corporations. Those corporations are going to need the support of service firms — just the kind of companies favored by Rich and Furniss.

Through Plumtree, they formed an operating partnership with Performa Partners SA, a Brazilian investment firm that specializes in mid-size service companies facing challenges related to growth, strategy, restructuring, and mergers and acquisitions.

“To me Brazil looks like the U.S. in 1990 or 1995, so we think we know how the story will play out,” Rich says. “Brazil has a very strong customer base, and consolidations will happen. It has been credit-starved and, from a technology perspective, it mostly has been following developments in the United States and Asia. So we think Brazil is a long-term play for us. I like its economic future.”

The partnership in Brazil is a good example of the differences between running one’s own fund and working in the C-level suite. Rich relishes the agility and freedom to align with players he feels will take Plumtree to the next level.

“Most innovation does not come from large corporations,” he says. “It comes from small, independent businesses or people unconstrained by the rules.” — Terry Kosdrosky
How does a technology find a market?
As most entrepreneurs know, the best-laid business plans can go awry. Take the case of Accuri Cytometers Inc. The brains behind the startup had developed a new product to measure particulates in industrial liquids. But the market they anticipated never materialized. Then they adjusted their plan. Now Accuri’s new product identifies and counts cells in blood, which is vital to cancer and AIDS research. The market for that? Huge.

That’s the kind of action that keeps Jeff Williams, MBA ’92, hooked on startups. He is president and CEO of the Ann Arbor-based life sciences company, currently in its rapid growth phase. The firm, which has about 80 employees, exceeded $10 million in revenue in 2009 — triple its 2008 total.

Accuri is the latest in the “better, faster, cheaper” story that Williams has been telling with his career for the past several years. “You get a small team together, you move quickly, and you can see for yourself the impact in the community and with your customers,” he says. “It’s just a great feeling when you get that first customer and, before you know it, your hundredth customer.”

SIZE DOES MATTER Williams tried the corporate route upon graduation. He moved to Southern California, and worked for Dutch conglomerate AkzoNobel NV and then Boehringer Mannheim, a diagnostic firm. But then he took a turn and accepted the role of COO at a relatively small public company.

“I really liked the smaller company and have stayed that course ever since,” he says. “You can have more of an impact. At a large company, no matter how entrepreneurial it is, it takes longer to do things. I really got the itch to move faster.”

He also got the itch to return to his home state of Michigan. A couple of business contacts led Williams to a small Ann Arbor team testing an idea in the genomics sector. He joined them and co-founded Genomic Solutions, where he helped turn a technology into a product and, eventually, a thriving company. Genomic Solutions produced lab instruments and software to help analyze genes and identify proteins.

“There’s a big difference between developing a technology and developing a company,” Williams says. “It’s a different skill set. You build something cool, but then what are you going to do with it? Figuring that out is the part I like.”

That involves finding a market, obtaining venture funding, defining a strategy, and building a management team. All the basics, but done quickly. Gone are the big-company comforts and perks, but so are the constraints.

Williams took Genomic Solutions public, and the company eventually was purchased by Harvard Bioscience. He stayed on a bit after the sale, until the new owners had a good handle on the business. Harvard has since sold Genomic Solutions to Digilab Inc.

After he sold Genomic, Williams was approached by investors trying to get a venture named HandyLab Inc. off the ground. This time there was an idea and a technology, but no product.

As president and CEO, Williams helped shape the final product and identify the customers. HandyLab, also based in Ann Arbor, developed a fast, easy, and accurate way to test for infectious diseases. What took a conventional lab three to eight hours took HandyLab’s kit a mere 45 minutes.

JUST DO IT HandyLab could be the poster child to promote entrepreneurship in Michigan. The company took a technology spun out of U-M, invented a product, built a business, and created jobs. Attracting out-of-state venture capital isn’t always a slam dunk, but it isn’t impossible, Williams says. Local firms like Arboretum Ventures exist to syndicate financing from global sources.

“In this economy, especially in this state, the big companies haven’t done so well,” Williams says. “It’s really difficult to replace the hundreds of thousands of jobs we lost with one company that will employ several thousand people in one location. What we need is a bunch of little, growing companies like HandyLab. I really think that’s our best hope. We need to innovate our way out of this problem.”

HandyLab innovated its way toward an impressive exit for its investors, which included the Ross School’s Wolverine Venture Fund (see p. 12). The student-run fund celebrated a record $2 million return in late 2009 when the company was acquired by Becton, Dickinson & Co., a publicly traded medical technology firm.

Williams is hoping to work that same magic at Accuri Cytometers before he sets his sights on the next big thing. It might sound unnerving to some, hopping from venture to venture, but Williams is exactly where he wants to be.

“Defining the strategy, implementing it, and, above all, moving quickly is the really fun part,” he says. “I think as long as you have good grounding in the basics, you can do that. I didn’t have any idea I would be an entrepreneur when I was getting my MBA.”

—Terry Kosdrosky
How do you define entrepreneur?
any entrepreneur would need: understanding the target market’s needs and constraints, listening to local customers and executives, and knowing which resources would be needed and how to access them. She also had to keep abreast of local healthcare policies and practices in the respective markets.

“You have to look at how they are spending their money and what the needs and opportunities are,” Sioshansi says. “It varies country by country. I think there are a lot of people who aren’t successful in these markets because they go in with ideas on how to enter without truly understanding the market needs. What helped me succeed was listening, understanding the dynamics, and then being able to relate to their needs.”

THAT’S A PLAN Like any good intrapreneur, Sioshansi currently is nurturing a plan that is technically outside the scope of her job. And while she can’t reveal specifics, she describes the developing project as a “venture-type initiative.”

She has invested much time and energy in finding enough people — and the right people — to support the idea, despite a harsh economic climate. “You certainly learn how to persevere during tough times, and right now I think it’s a tough time,” Sioshansi says. “You learn how to deal with somebody saying no. Do you reprioritize or find other investors and supporters?”

Time is split between her regular duties and this intrapreneurial venture, and Sioshansi acknowledges that she may not be able to actualize her vision as quickly as she could inside a small firm.

“You have to accept that you’re not going to move at the speed of light and that there are certain processes and approvals you need to get,” she says. “There are also competing plans. To the leadership, this proposal makes sense on a certain level, but whether we should put it into action at this time is another matter. I have to make it fit in a changing landscape. Sometimes I need to be patient and learn to let it baste.”

Finding the right corporate culture at this point in her career delivers the best of both worlds for Sioshansi. “An entrepreneurial mindset is ingrained regardless of what kind of organization you’re in,” she says. “These experiences are more important to me than the need to go after the title of CEO or vice president in the next five years. I have a long-range goal of doing venture capital in the healthcare industry, and I’m gaining valuable experience right now.”

—Terry Kosdrosky

PHOTO BY MAX S. GERBER
How does business fight for doctors?
Suthrum’s experience started during his MBA spring break and evolved into NextServices Inc., a revenue cycle management company. He co-founded the venture with partners Satish Malnaik, MBA ’04, and Ragavendra Baliga, MBA ’04, after consulting for his uncle’s medical practice, identifying problems and recommending ways to improve the doctor’s bottom line. “It made me start wondering if there was a bigger opportunity in the area,” Suthrum says.

There was. NextServices now counts more than 60 clients, ranging from solo medical practitioners to large physician groups. The company has collected more than $120 million on their behalf, and Suthrum hopes to hit $1 billion next year.

But initial setbacks threatened to sink the original plan Suthrum and his partners floated in 2004. Funding dried up. Clients shut down. Through sheer determination the team adapted and advanced, allowing NextServices to not only stay afloat but thrive. Today the firm has 110 employees in Ann Arbor and Mumbai.

**THE PRESCRIPTION** NextServices’ mission is ambitious: “Enabling seamless healthcare delivery one patient at a time.” The company focuses on certain specialties and relies on the medical knowledge of its staff. “If you talk to our associates about stomach disease, they can discuss it like the back of their hand,” Suthrum says. “Knowing the language helps when we talk to insurance companies. We can ensure our clients get paid correctly.”

Sophisticated analytics offer another strategic edge. “When clients ask, ‘How many patients are due for a colon screening’ or ‘What types of denials are we most commonly getting,’ we can tell them,” says Suthrum. “Getting feedback helps avoid costly mistakes.” Clients can access such analysis any time through custom-developed, Web-based software.

The firm offers clients a multipronged approach. The consulting branch — NextClarity — first examines the inner workings of the practice. “Then we can better adapt our solution to meet the client’s exact needs,” says Suthrum. Next the billing arm, NextClaims, takes over — doing the legwork to ensure physicians receive correct and timely payment.

Suthrum says such services are vital to a client’s short-term bottom line and long-term survival. With Medicare cutting about 21 percent of reimbursements, it is likely others will follow. Many physicians haven’t pondered what these cuts mean. “They must increase the efficiency of their practice to avoid losing more money,” Suthrum says. Again, NextServices’ expertise is advantageous. If an insurance company decides cardiologists don’t need as many stents during a procedure — and only will reimburse for what it feels is appropriate — staff can knowledgeably argue the doctors’ point.

Forthcoming healthcare legislation may complicate the business landscape, Suthrum notes. More citizens will have access to coverage, but he anticipates the new system might function more like Medicaid than Medicare. “Medicare is a better payer. It’s better organized and more efficient,” he says. “So if Washington creates another Medicaid, it means more work and less money for doctors, which again means physicians would find it difficult to focus on patient care.” But Suthrum is both pragmatic and confident about new products and services he hopes to provide. “We see a huge opportunity and are well-positioned to address it,” he says.

**SPRINGBOARD** It’s been a long road from spring break to successful startup. And it all began with a well-timed encounter when Suthrum returned to Ross with his burgeoning expertise in healthcare. Evening MBAs Malnaik and Baliga had been exploring new ventures that fused the Indian and U.S. markets. As soon as they met Suthrum, they had their angle. “We examined the insurance industry and saw all this technology to make more money from doctors. We wondered what would happen if we gave those weapons to doctors. NextServices is what happened,” Suthrum says.

The trio set an Oct. 1, 2004, launch date — clients or no clients, funding or no funding. A Zell Lurie Institute Dare to Dream grant landed one of their first investments, and a U-M colleague became their first employee. Suthrum spent September going door-to-door at practices throughout Michigan, while Malnaik created the company’s website and Baliga sought investors.

For their first client, NextServices cut a deal to provide three months of free consulting in exchange for an enthusiastic testimonial. It worked until the client abruptly closed shop at the three-month mark. Funding was equally austere. An investor’s initial $50,000 ballooned to $200,000 within weeks, but then dried up completely when he opted to back a vineyard instead.

The trio stayed the course and adapted accordingly. Eventually the clients and the funding did come. Today Suthrum is swimming comfortably in that proverbial start-up pool. “What we’re doing now is completely different from what we put on that first business plan,” he says. “When I talk to someone about starting a business, I tell them they’re not really going to know. They just need to jump in and figure it out.” —Amy Spooner
How do you dispatch sunshine on demand?
Innovation often is born of a pie-in-the-sky dream to change the world. For Jonathan Koch, MBA/MS ’96, it’s all about “putting iron in the ground.” Koch is co-founder and managing director of U.S. Renewables Group (USRG), one of the largest private equity funds focused solely on the renewable energy industry. Founded in 2003, the fund has mobilized more than $750 million of capital commitments via three funds to invest in the renewable power, biofuel, and infrastructure sectors.

But what USRG really invests in is capacity. “If we’re going to meet the projected market demand and mandated requirements for renewable power and fuel in the near future, we have to build a lot of plants,” Koch says. “We believe there are several technologies ready to be deployed. The game is to find qualified developers and finance the build-out of this new expansion.”

USRG’s niche is to create platform companies with the intent to stamp out fleets of large-scale commercial facilities. The firm looks to make investments between $15-100 million depending on the stage of the project and company lifecycle. “It’s a very different asset class — with different financial structures and different returns — than making a venture bet on an unproven technology or unproven markets,” Koch says. “We have to be secure not only in the core science or process, but also in the fact that this plant can function as designed at a large scale.”

As a project finance expert at USRG, Koch seeks to identify opportunities in renewable energy and then package a series of scalable assets to take to market. This requires everything from licensing technology and inking permits to negotiating feedstock, offtake, and power purchase agreements. USRG executes contracts for engineering, procurement, construction, operations, and management of future plants.

“These are very complex operations, and we are involved in every step,” Koch says. USRG generally takes a controlling position and active management role in the companies it finances; Koch sits on three boards across multiple sectors. USRG’s funds are long-lived, and its hold time can last anywhere from three to six years.

HERE COMES THE SUN One example is SolarReserve, which solves several issues in the solar energy space, according to Koch. Notably, it relies on technology developed by the Fortune 50 firm United Technologies Corp. (UTC) that allows for large-scale underground storage of dispatchable thermal energy. Plants are designed at 250 megawatts or more and rely on low-water-use technology. Koch calls SolarReserve a “tremendous win,” especially because UTC is backing the technology with performance guarantees and is helping to build the component parts.

USRG purchased a worldwide license for the technology from UTC. Then it recruited engineers and scientists from Rocketdyne Propulsion & Power (who created the technology) and veteran managers with expertise in the power industry. SolarReserve now is developing multiple plants in the western U.S. and around the world.

USRG also has invested in developing the first commercial-scale facility for Fulcrum BioEnergy, which would convert the organic components in municipal solid waste into cellulosic ethanol, considered an advanced biofuel by the Environmental Protection Agency. Permits are in place to build its first plant in Reno, Nev. USRG projects it would produce 10 million gallons of fuel per year.

FUELING INNOVATION But first things first. SolarReserve and Fulcrum BioEnergy, two of 12 active companies at USRG, now are transitioning from development to debt financing. They face a tight credit market, ever-changing regulatory policy, tax issues, and other unknowns. “That means we have to bring to market the most compelling projects possible,” Koch says.

The market where finance and renewable energy meet is a point that has attracted Koch throughout his career. Today he combines institutional experience he gained at GE and Booz Allen with entrepreneurial expertise from his stint as COO of a portfolio company of Kleiner, Perkins, Caufield & Byers. He also was the co-founder and CEO of Sundial, a leader in provisioning utility services online.

“My career had been focused on improving large, industrial systems; I learned how the multinationals produce and manage the environmental impacts of fuel, chemicals, and power,” Koch says. “Then, along with my partners at USRG, we saw this great opportunity to take tried-and-true financial skills and tried-and-true renewable energy technology and start building capacity.”

Where it gets really interesting is identifying those technologies poised to become full-scale commercial. “It’s what the venture firms are struggling with because they now have a pilot plant but need someone to finance commercial-scale units,” he says. “A lot of people refer to this as the valley of death.”

USRG is one of the investors that can help companies throughout the development process to cross that valley of death. “We’re excited about creating terrific new companies we think can change the world,” says Koch. “If we can effect real change in how we produce kilowatts and gallons of fuel, we can reduce our carbon footprint. And we can create a more sustainable economy.”

—Deborah Holdship
How do you track a pencil in a war zone?
Suddenly Powell was an entrepreneur. He turned down his dream job offer from the Boston Consulting Group to nurture his startup, which ended 2009 with $650,000 in sales. Powell and his team aim to double that figure in 2010.

“I never thought I’d be a sort of war profiteer, but we take pride in delivering the best value for the government,” he says. The company has briefed generals at the Pentagon and other top officers in the Army Materiel Command. Powell says the reaction has been “very, very positive.”

THE ADVANCE

ArmyProperty recently cleared a new front in the contracting business after a supply officer in a National Guard unit asked to order 950 Camelbak water backpacks through ArmyProperty. Powell submitted a bid that would net him a profit, and waited to see what would happen. Two days later he had a contract for $50,000.

Since then ArmyProperty has been competing with more established suppliers to win additional bids for military equipment. Powell believes the fact that he and other members of his team are ex-military personnel lends credibility to their operation.

“Because people are using our system for daily tasks, it’s just as easy for them to go through us on supply orders instead of searching for another distributor,” he says. “We work hard to make it easy for them.”

That hard work continues to pay dividends. For example, ArmyProperty ranked third in a recent bid for an order of 650 escape-and-evade survival backpacks for helicopter crews in Powell’s old unit. But since the company has such a good relationship with the contracting officer, it won the $300,000 deal for the packs and all their components, which now are being used on a daily basis in Afghanistan.

Powell plans to keep that momentum going to further advance in the military supply business. He also hopes to pick up some IT work to help simplify other existing, in-house military systems.

“I just want to be the guy who makes life easier for troops on the ground,” he says. —Terry Kosdrosky
SHOPPING for INSPIRATION
Ross Alumni at GfK Help Bring New Ideas and Products to a Store Near You
By Terry Kosdrosky // Photos by Dave Lewinski
Walk into the Ann Arbor office of GfK Strategic Innovation, and you might think you’ve stepped into the grocery wing of the Smithsonian. Dominating the bright, open space is shelf after shelf of groceries, beverages, cosmetics, cleaning supplies, and health products — a cathedral of consumerism. Stroll down one aisle to find the latest whiz-bang mascara from Japan; check another and you’ll see an original green bottle of Clairol Herbal Essences shampoo in all its 1970s, flower-haired glory. This is where GfK’s clients come to shop for inspiration.

Since founding Arbor Strategy Group in 1998 and merging with global consultancy GfK in 2008, Phil Roos, BBA ’81, and his team have looked forward and back to help some of the best-known food and consumer product companies think outside the box. It has evolved from a strategic growth firm to a one-stop shop where companies can tap deep industry expertise in product development — from creative consulting, sampling, and research to marketing, strategy, and analysis.

WHAT’S IN STORE The plethora of products on display — collectively known as NewProductWorks — is the most visible sign that GfK isn’t a cookie-cutter consulting firm. Behind the scenes are the market trends Roos and his team have tracked at GfK and during their pre-consultant careers as product line managers. Where some might see a revolutionary product that seemingly came out of the blue, GfK pinpoints a logical progression.

GfK’s predictive tools, such as the proprietary Innovation Tree, help clients forecast a fiercely competitive future. The firm maps the cycles and evolution of products in hundreds of categories and identifies the largely untested, emerging ideas that haven’t hit the mass market yet. Today this strategic edge is more critical than ever as a slumping economy strains both corporate budgets and consumer spending.

“There are idea shops, consumer insight specialists, and high-level strategists,” says Gordon, formerly of Campbell Soup Co. “We offer pieces of each and can give the client the 30,000-foot view strategy. We present a very holistic picture.”

The trick is to hit the market with just the right amount of newness at just the right time, Roos says. Move too soon or go too radical, and the public won’t accept the product. (Think LaserDisc movies in the 1980s.) The home run comes when a firm follows a growing consumer need and presents a new delivery mechanism that isn’t totally foreign. (Think P&G’s teeth whitening strips.)

“There has to be a real balance, and that’s where our tools come in handy,” Roos says. “You have to have some news, offer some benefit, but it has to be something people are comfortable with.”

MARKET SHIFT Much like the products it helps differentiate, GfK Strategic Innovation has transformed over time to meet market demand. Arbor Strategy started as a small, boutique firm focused on growth strategy. In 2001 the firm carved its own distinct niche when it bought the New Product Showcase and Learning Center from marketing veteran and author Robert McMath.

McMath had collected an extensive assortment of consumer products that served as a creative hub for marketing experts. Companies sent their teams on pilgrimages to his site and often credited the experience to a subsequent success. As McMath prepared to retire, he sought a way to keep the collection alive. Enter Roos, a McMath client who understood the value displayed on those shelves. He knew the collection was just the thing Arbor Strategy — and its clients — needed to innovate. Today, GfK’s NewProductWorks counts more than 110,000 items, from tuna in a pouch to wine in a pouch. Products include musical toothbrushes, sunblock that comes with its own mirror, and a vintage can of Farrah Fawcett hairspray. It is the only collection like it in the world.

Carol Sherry, MBA ’84, is curator of NewProductWorks and has buyers all over the world tracking innovation in formulation,
“The collection provides tangible stimuli for our clients, who can find inspiration for their new products across categories, time, and geography.”
—Carol Sherry, MBA ‘84

packaging, positioning, technology, and more.

“The collection provides tangible stimuli for our clients, who can find inspiration for their new products across categories, time, and geography,” Sherry says.

For example, Citrus Hill orange juice revolutionized juice packaging when it added a resealable, twist-off top to its cardboard cartons. It got the idea at NewProductWorks by examining a laundry detergent package from Japan.

GROWTH CATEGORY Arbor Strategy started growing so fast — at a rate of about 50 percent per year — that it needed support in human resources and globalization. So it sold to GfK in 2008, becoming that company’s innovation practice. The operation employs about 30 people in Ann Arbor, Chicago, and New York. But GfK’s global reach gives it eyes and ears around the world.

“Not all innovation happens in the U.S., so we needed people on the street in all markets,” Roos says. “It made sense to accelerate that with the right company.”

The Ann Arbor location allows Roos to easily tap talent from Ross. The school’s multidisciplinary approach is a good fit for GfK’s work, since consultants collaborate with several different companies on different product lines, looking to connect the dots for clients across categories.

Despite the recession, forward-thinking firms continue to invest in innovation regarding not just products, but the entire customer experience, Roos says. They’re also looking for a longer-term road map for new product pipelines.

“The smart companies are putting more emphasis on innovation because they recognize that consumers are now much more selective about where they put their dollar,” Gordon adds. “Meaningful innovation is vital to keeping their brands relevant, and they’ll be in a much stronger position at the end of all this.”

Win Some, Lose Some: Tales from the Front

The buyers who fill the shelves at GfK Strategic Innovation’s NewProductWorks don’t play favorites. Their collection of consumer products spans the globe: big-time sellers, major flops, and the everyday SKU. Perhaps most fascinating is a special shelf that holds items featured in Robert McMath’s book What Were They Thinking?

BACK TO THE DRAWING BOARD

GERBER FOR ADULTS. Is anyone surprised this one didn’t catch on? A pureed dinner-type meal may not be the best thing to stuff in a jar, and the packaging looks too much like baby food.

MAALOX WHIP. So you have heartburn from overindulging and you reach for … whipped cream? Perhaps your pie could use a dollop of cool and creamy antacid. Or not.

PLANTERS FRESH ROAST IN VACUUM PACK.
This is a good idea on the surface, since vacuum packing seals in freshness and aroma. But after product launch, Planters received calls from irate retailers whose coffee grinders were contaminated by peanuts. The package looks and feels too much like fresh-roast coffee beans.

SO FAR, SO GOOD

ICE BREAKERS GUM AND MINT DUAL PACK.
Gum and candy buyers expect novelty. Plus they buy on impulse, so this category sees a lot of action. This pocket- and purse-friendly package delivers two products for one price.

LABATT BLUE LIGHT BEER CAN LINER.
Any good tailgater knows you can’t beat the convenience of cans, but aluminum conducts too much heat from the hand. A slim outer sleeve is one way to keep beer cooler longer.

KIDZ DREAM WITH FOUR-WAY TURBO STRAW.
The product is pretty simple; it’s a smoothie mix of soy, juice, and fruit with more calcium and less sugar than typical fruit drinks. But it’s the straw that seems to get kids excited. Four holes create a gush of flavor.
Ross Thought in Action is an email alert for business leaders, thought leaders, and the media. Ross Thought in Action focuses on research that clearly is applicable to organizations and delivers compelling editorial content — text, audio, and video — about faculty and ideas.

Alumni who currently receive Dividend Email automatically will receive Ross Thought in Action every other month, alternating with their Dividend Email.

If you are an alumnus who does NOT currently receive Dividend Email, that means we don’t have a valid email address for you. You can subscribe to Ross Thought in Action at www.bus.umich.edu/rossthought.

Come and get it at www.bus.umich.edu/rossthought
Business leaders often are asked to lend their time and expertise to the nonprofit world. But for Paul Weaver, MBA ’72, the nonprofit journey is more than just an extension of his business acumen. It’s a connection with the story of America.

The former PricewaterhouseCoopers executive is chairman of the Statue of Liberty-Ellis Island Foundation Inc., the group charged with preserving and maintaining two national treasures in New York’s harbor. Not just another board position, Weaver’s role opens access to the people and experiences that define American history.

Take the time baseball Hall of Famer Yogi Berra received the Ellis Island Family Heritage Award. “When he got up to speak, he couldn’t say a word,” Weaver says. “Then he came back up, tried to talk, but no words could come out again. He was so choked up. Finally, he was able to say, ‘I’m just damned glad my parents caught the boat.’”

American Idols Working for the Statue of Liberty-Ellis Island Foundation appeals to Weaver on a couple levels. First is the obvious emotional connection with the Statue of Liberty, the symbol of American freedom. Then there’s Ellis Island, the gateway of opportunity for so many immigrants who helped build the country.

Also appealing is the visibility of the foundation itself. It was created in 1982 after President Ronald Reagan asked then-Chrysler Corp. Chairman Lee Iacocca to head up a private-sector effort to raise money to restore the Statue of Liberty and Ellis Island. Today the foundation
is one of the most successful public-private partnerships in history, having raised more than $700 million in private donations. “It’s a demanding job, yet I get incredible satisfaction out of it,” says Weaver of the role he will hold until 2013. “I’m dealing with two great American icons. At the same time the position is very politically charged, which is understandable. Everyone has something to say about the Statue of Liberty and Ellis Island.”

About 40 percent of Americans can trace their ancestry to Ellis Island arrivals, and more than three million visitors enjoy trips to the Statue of Liberty and Ellis Island every year.

**GIVE ME LIBERTY** The foundation came calling in 2001 when Weaver was vice chairman of PricewaterhouseCoopers. He’d joined the firm’s Philadelphia office after receiving his MBA, and worked in the London and New York offices, among others. He ascended to partner, opened the Austin, Texas, office (where he met a fledgling computer entrepreneur named Michael Dell), and eventually became managing partner for the western United States. Ultimately Weaver returned to New York, taking on his role as vice chairman.

“You see so much in the business world, and [at PricewaterhouseCoopers] we were dealing with companies during some challenging situations,” Weaver says. “You see the deals going on, the deals that should never have been made, and the palace intrigue. It blends into this experience you apply when you’re making a decision. You don’t know you’re doing it. It’s more a matter of just knowing what works and what doesn’t.”

Weaver now relies on those years of experience as he guides the Statue of Liberty-Ellis Island Foundation through new projects, new board elections, and fundraising, the lifeblood of any nonprofit. His clients in the corporate realm were some of the biggest companies in the world, and the work gave him a feel for judging character and allocating limited resources — skills that have served him well in his current role.

**ACCEPTING THE TORCH** After joining the board, Weaver filled a number of roles, eventually landing on the executive committee. Three years ago he received a call from then-Chairman John B. Turbidy saying the board wanted him to be Turbidy’s successor. Weaver accepted the challenge and met with each director personally to ask about their experience on the board, what they would like the foundation to do, and what it could do differently.

“That worked out really well,” he says. “We got some great ideas, and everybody was very open. I told them I had no agenda other than for the foundation to fulfill its mission.”

With the Statue of Liberty in good shape after an extensive renovation, the foundation today is directing much of its energy toward restoration on Ellis Island. A $20 million expansion of the main facility, now the Ellis Island Immigration Museum, is in the works as The Peopling of America Center. The expansion will offer a wider view of immigrant experiences, both on and off the island. Weaver also wants to restore the island’s hospital.

“That’s an important part of American history,” Weaver says. “Many were treated in the hospital, and some died there. It’s a significant piece of the immigrant experience.”

All projects are coordinated with the National Park Service, which means regular trips to Washington, D.C., to meet with colleagues at the Department of the Interior. That’s where politics comes into play, but Weaver says the well-established success of the partnership keeps rancor to a minimum.

Meanwhile, fundraising always is the main priority. The foundation solicits large corporate donations but regularly receives individual donations of $5–$20. Those started coming in during the drive to restore the Statue of Liberty for its 100th anniversary and continue thanks, in part, to the high profile of the Statue of Liberty and Ellis Island websites, where people can search the manifests for their ancestors’ arrivals.

Weaver also spends his time soliciting new blood for the board, and he has set term limits (including his own) to keep that lifeblood flowing. He seeks out high achievers who can check their egos at the door, have a family immigration history, and are not just looking to pad their resumes. For example, Weaver worked to bring investment banker-turned-fashion designer Josie Natori onto the board. Natori emigrated to the United States from the Philippines. She was the first female VP of investment banking at Merrill Lynch; today she oversees a lifestyle brand that includes lingerie, eyewear, and fragrance collections.

In addition to his work with the foundation, Weaver serves on the corporate boards of three publicly traded companies. But it’s his role as chairman of the Statue of Liberty-Ellis Island Foundation that offers him the most poignant rewards. Each year the foundation honors a notable American who can trace his or her ancestry to the famed port of entry. It was one such event that Weaver encountered the iconic and emotional Berra sharing his family’s life-changing experience.

“Something like that is just wonderful to see,” he says. ☞
Ross alumni clubs always have been outposts of maize and blue spirit at points around the globe. However, in the current economic climate their role has evolved from casual social mingling to continuing education and career development. The winners of the 2009 club awards reflect a commitment to relevant programming that meets alumni’s changing needs.

“We have recognized the change in the local environment and felt the impact on our members,” says Matt Schuster, BSChE ’95/MBA ’00. He is president of the Ross Alumni Club of Southeast Michigan, which was named 2009 Club of the Year. Leaders are presenting more topics that target job seekers, and popular happy hours now include a rotating group of corporate recruiters. The club recently introduced tiered pricing, and active membership has doubled in the past year. “Most are joining or renewing as lifetime members,” Schuster says, “which represents an interest in long-term connection with our community.”

The Wolverine Spirit Award, which recognizes a club’s tenacity in building its organization, went to the Boston Alumni Club. Leaders have focused on continuing education, offering panels on sustainability, investing, and more. “Our events have involved great conversations on relevant, timely subjects that people may not have time to explore in the midst of the everyday hustle and bustle,” says Grace Tsuei, MBA ’03, the club’s co-president. Adds co-president Jim Hanley, MBA ’94, “A huge value in attending club events is the opportunity to network with talented professionals outside my work environment.”

Ross presented its inaugural International Club of the Year Award to the University of Michigan India Alumni Association. The organization has been successful through a strong network of leaders and an influx of young alumni at both the local and national levels. “Some of our alumni lead very successful companies in India,” says Sanjay Mirchandani, MBA ’89, president.

Ross Recognizes Exceptional Alumni with Awards

In 2009 Ross presented its Entrepreneur of the Year Award to Roger Frock, MBA ’59, president and CEO of Quest Management Inc. In 1973 Frock helped FedEx founder Fred Smith execute his “crazy scheme” for an overnight small-package delivery company. “No one had ever done what we were promising,” Frock says.

Today FedEx is a $33 billion enterprise. In his book, Changing How the World Does Business: FedEx’s Incredible Journey to Success, Frock chronicles the legal, financial, and operational crises that confronted the FedEx team and how they overcame these roadblocks to create an entirely new business enterprise.

He is pictured here at Entrepalooza 2009, sponsored by the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies.

Praveen Suthrum, MBA ’04, received the school’s first Recent Grad Service Award in 2009. He is the founder of NextServices Inc., a healthcare solutions firm with offices in Ann Arbor and Mumbai. (See story, p. 37.) His objective is to “create a networking platform for not just alumni in India but also alumni across the world who are interested in doing business in India or coming to India.” —Amy Spooner
Worldwide Club Day Broadens Scope, Creates Connections

Since the Ross School launched its first Worldwide Club Day (WCD) in September 2006, alumni clubs in 38 cities and 14 countries have hosted events from Boston to Beijing. In 2009 a record 29 clubs welcomed students, faculty, and alumni to simultaneous Ross events around the globe. Many clubs also actively promoted their events to prospective Ross students this year, as a way to introduce the school’s programs.

The expanding mission of WCD signals the increasing role Ross clubs play in connecting members with the school and building the Ross brand. And because WCD now happens during Ross Professional Development Week, students traveling home during that time are encouraged to attend their local club’s event. The result is a growing synergy between past, present, and future Ross students that allows each to learn from the other.

“Worldwide Club Day originated as an event in which alumni around the globe were encouraged to come together at the same time,” says David Emery-Peck, MBA ’09, director of annual giving and alumni relations. “It has evolved into the marquee fall event, with faculty traveling to many cities to present research and updates about the school.”

The evolution of the event’s purpose also reflects the school’s holistic attitude in connecting all members of the Ross community. “It’s a truly great energy,” Emery-Peck says.

The Ross Alumni Club of Beijing attracted more than 30 prospective students to its WCD event. Co-president John Lim, BBA ’94, says their presence enriched the experience for alumni and showcased Ross in a unique way. “Non-photo the guests were able to see the strength and cohesiveness of the Michigan community as we exchanged cutting-edge business insights,” he says.

For its WCD event, the Ross Alumni Club of Los Angeles hosted Sendil Ethiraj, associate professor of strategy, to share his research about managing human capital in high-talent industries. The talk was especially well-suited to the LA club because of the city’s high concentration of creative industries. Elizabeth Smith Brigham, MBA ’09, says recent grads in attendance enjoyed hearing from their core strategy professor, while potential admits got a window into the Ross student experience. “Having Sendil present illustrated the degree of academic rigor and appreciation for healthy debate cultivated at Ross,” she says. Ethiraj reaped his own benefits by participating. “Attending alumni events helps me understand how students at different career stages reflect on their Ross education,” he says.

Kim Cameron, William Russell Kelly Professor of Management and Organizations, says he developed a greater appreciation for the school’s global reach by visiting Shanghai for WCD. “Great universities like Michigan have great alumni networks, and Shanghai has bright, energetic, and exemplary alumni leaders,” he says. Welcoming Cameron to Shanghai gave local alumni a real boost, says Kenneth Fang, MBA ’07. “Having faculty like Professor Cameron attend our event shows the school is dedicated to keeping strong connections with its alumni,” he says. “Plus, faculty are a great attraction to build attendance. Worldwide Club Day gets new alumni excited and older alumni reinvigorated for the coming year.”

For faculty like finance professor Amy Dittmar, engaging with alumni lends insight to her relationship with students. “I met one woman who graduated more than 30 years ago and others who were recent grads meeting new people for the first time,” she says. “It represents how many ways and for how many years the school has impacted students’ lives.”

—Amy Spooner

★ New Delhi
From left: Bharat Patel, MBA ’69, professor M.S. Krishnan, and Sanjay Mirchandani, MBA ’89. Mirchandani accepted the Ross School’s inaugural International Club of the Year Award on behalf of the University of Michigan India Alumni Association. Members met in New Delhi for the WCD panel discussion “Our Green Future.” In addition to Krishnan, Ross faculty in attendance included C.K. Prahalad, the Paul and Ruth McCracken Distinguished University Professor of Strategy; and Kathleen Sutcliffe, associate dean for faculty development and research and the Gilbert and Ruth Whitaker Professor of Business Administration. Krishnan is chair and professor of business information technology and a Michael R. and Mary Kay Hallman Fellow.
Boston
1. From left: Josh Borin, BBA ’07, Vishal Patel, MBA ’01, and Eric Chiang, MBA ’05, welcomed professor Andy Hoffman to their WCD event in Boston. Hoffman is associate director of the Erb Institute for Global Sustainable Enterprise and the Holcim (U.S.) Professor of Sustainable Enterprise.

Hartford
2. Members of the Ross Alumni Club of Hartford showed their true colors during Worldwide Club Day.

Hong Kong
3. From left: Amy Chau and husband Graham Kot, BBA ’03, Jonathan Wu, BBA ’04, Yannie Fu, BBA ’04, and Cora Yeung, AB ’04.

Kansas City
4. The Ross Alumni Club of Kansas City hosted professor Sreedhar Bharath at their WCD event. Bharath (holding banner, far right) is the Bank One Corporation Assistant Professor of Finance.

New York
5. From left: Michael Gelband, MBA ’83, Elizabeth Black, MBA ’87, and Raj Singhal, MBA ’00, convened at the Waldorf-Astoria to engage with students, alumni, and prospective admits. Gelband introduced Dean Dolan at the event.

Tokyo
7. Members of the Ross Alumni Club of Tokyo gathered to network and greet new alumni.
8. From left: Hiroshi Hatano, AB ’85, and Hideo Kobayashi, MBA ’87, shared Ann Arbor memories during Tokyo’s WCD event. “We talked about Michigan football,” says Hatano. “I still think Bo was the greatest coach in America.”

Connect with your local Ross Alumni Club
www.rossclubs.org
Bob Hutchens // BBA ’84

As a partner at Booz & Company in New York, Bob has served the pharmaceutical and consumer products markets for more than 15 years. One of his most recognized industry contributions has been his successful efforts to redesign the supply chain for the Center for Disease Control’s $1.7 billion Vaccine for Children program.

3 Reasons to Give

1 Invest in Talent
I give to Ross with fond memories of the professors who had a profound effect on the way I think. Talent like that isn’t free. It’s important for the school to continue to attract talented and dedicated teachers.

2 Invest in Imagination
Visit Ross and you’ll find it’s not so much the building that dazzles. It’s the energy that animates it. The place hums with the creativity and imagination of students running at full throttle. In that sense, the school feels very much like the place from which I graduated in 1984. Though, like most of us, it’s probably a little better dressed today.

3 Invest in Possibility
I give because Ross brought me an incredible set of opportunities I never could have imagined. The school took a poor kid who grew up in Ypsilanti, Mich., and allowed him to operate in a global business environment from Paris and London to the capitals of Asia.

www.bus.umich.edu/alumnicommunity/give
William Handorf, MBA ’67, is a professor of finance and real estate at George Washington University’s School of Business. In January he began a two-year term on the board of directors of Federal Home Loan Bank of Atlanta. In addition to more than 35 years of experience as a professor, William completed two terms as a director of the Federal Reserve Bank of Richmond’s Baltimore branch, including two years as chairman. His son Matthew is a first-year MBA student at Ross.

Russell Poole, BBA ’76, was named senior VP of human resources at Novell Inc. He is based in the firm’s Waltham, Mass., headquarters. Novell is a multinational software and services corporation that specializes in enterprise operation systems such as Linux. The firm also delivers identity, security, systems management, and collaboration solutions.

Mark Lezotte, BBA ’78/JD ’81, is a shareholder in the law firm of Hall, Render, Killian, Heath & Lyman in Troy, Mich. He was named in 2009 Michigan Super Lawyers, which tracks attorneys from more than 70 practice areas who have attained a high degree of peer recognition and professional achievement. Mark joined Hall Render after 15 years at Oakwood Healthcare Inc. in Dearborn, Mich., as corporate director of legal affairs and general counsel. He specializes in corporate, healthcare, tax, and exempt organization matters; is a frequent speaker on health- and law-related topics; and has served in leadership roles on the Federal Bar Association’s Health Law Committee, the State Bar Business Law Section, and the State Bar Nonprofit Corporations Committee.

James Lefkowitz, BBA ’81, has been named COO of Mandalay Media in Los Angeles. Jim joined Mandalay in 2007 from Cantor Fitzgerald, where he was managing director of Cantor Entertainment. Prior to Cantor, he was an agent for eight years at Creative Artists Agency, where he represented clients in connection with film, television, and other media ventures. Mandalay’s mission is to build a unique combination of new media distribution and content companies through acquisitions with domestic and foreign businesses. Through its wholly owned subsidiary, Twistbox Entertainment, the company is a leading global producer and publisher of mobile entertainment.

Terri Albert, BBA ’84, spent almost 15 years selling advertising space in a 14-state territory and helped launch Chicago’s Divorce magazine. She also spent six years selecting speakers for internal communications, biometrics, and government conferences, and worked for a nonprofit. In August 2008 she started The Chicago Organizer, a professional organizing business offering help with residential clutter concerns. “I work throughout the Chicagoland area,” says Terri, “so if you’re overwhelmed with your decluttering projects, call me at 773-401-9572 or check out my website: www.chicago-organizer.com. Alumni get special pricing if you mention you saw me in Dividend.” Contact Terri at terri@chicago-organizer.com.

Don Mulligan, MBA ’85, was appointed to the board of directors at the Minneapolis-based Tennant Co. Don is executive VP and CFO for General Mills. He joined the company in 2001 and has held various senior management positions. Prior to joining General Mills, Don gained extensive experience in financial management, operations, and international administration in various positions with Pillsbury, PepsiCo Inc., and YUM! Brands Inc.

Richard J. Liekweg, MBA ’87, has been named president of Barnes-Jewish Hospital and Barnes-Jewish West County Hospital, as well as group president of BJC Healthcare. The hospital system is St. Louis’ largest employer with more than 9,300 employees and a 1,832-member medical staff. It also is the largest hospital in Missouri. Richard previously was CEO and associate vice chancellor of the University of California, San Diego Medical Center. Prior to that, he spent more than 15 years in leadership positions at the Duke University Health System.

Robert Mazzacavallo, MBA ’87, was named CFO of San Diego-based Veridiam in November. Veridiam is a contract manufacturer of high-precision, fabricated assemblies and metal components, primarily serving Fortune 500 companies in the medical devices, power generation, aerospace, and general industrial markets. Before joining Veridiam, Robert was CFO at C-Tech Industries in Camas, Wash.

Sherman Edmiston III, MBA ’90, has joined Zolfo Cooper in New York. He had been with Huron Consulting Group. Sherman has more than 17 years of experience in distressed and special situations as a financial adviser, investor, and lender. At Huron Consulting Group (and prior to that at Glass & Associates), he was responsible for managing the firm’s
Whether he’s playing big-time college football or arranging a big-time convertible-debt deal, J.D. Carlson, BS ’91/MS ’92/MBA ’95, is motivated by one thing: delivering for the team.

An inspiring leader certainly helps push that motivation. As both an athlete and a businessman, Carlson has been lucky to encounter that inspiration twice in his career.

First, he leveraged a strong, accurate leg into a U-M scholarship and football glory under legendary head coach Bo Schembechler. Now he’s leveraged his Ross MBA to a position as VP of finance and controller for Penske Automotive Group Inc. (PAG), working for business and racing legend Roger Penske.

“If I had played football somewhere else, I’m sure I would have found great teammates and fans,” Carlson says. “Playing for Michigan, I was fortunate to be led by a coach for whom I would try to run through a wall. That’s what made my experience at Michigan unique.”

Today instead of kicking field goals, Carlson is handling the finances at PAG, one of the country’s largest auto retailers. Carlson says his current boss shares a lot of traits with his late football coach.

“It’s almost thrilling a lot of times, and from an accounting perspective you don’t get to say that too often,” he says. “Roger Penske has a lot in common with Bo Schembechler. He’s very personable, yet demanding. He can have so many things going on at once but still be very precise in what he’s doing. He takes time for everyone and emphasizes that no one person is more important than the team. The types of things we get into, the questions that get asked, I wouldn’t have that any other place.”

Carlson thrives under pressure, a trait he discovered on the football field. He was the game-winning hero more than once for his high school football team, a powerhouse in Florida. And once his career as a Wolverine kicked in, he gained national fame by hitting last-minute game-winners against Ohio State and UCLA. He graduated as one of the most accurate kickers in the history of the storied football program, scoring 129 consecutive point-after attempts in his college career.

But Carlson’s early introduction to business brought unique challenges. By his own admission, he had a difficult first year in the MBA Program. Things turned around when he took intermediate accounting in year two. “Part of the final exam was preparing a cash flow statement,” he says. “Everyone was all worked up about it. When I got a perfect score on the exam, it just kind of confirmed this was the field I needed to look at.”

Confidence in both sports and accounting has served Carlson well over the years. In a previous position at Coopers and Lybrand (now PricewaterhouseCoopers), he led a team dealing with the disposition of a 3M subsidiary, a billion-dollar transaction. Prior to PAG, he worked at manufacturer Tecumseh Products Co. When Penske called, Carlson was drawn to that rare combination in business: a public company that embraces an entrepreneurial spirit. Named America’s most admired auto retailer by Fortune, PAG is the U.S. distributor for Smart Car, the microcar manufactured by Daimler AG, and owns a stake in Penske Truck Leasing. Penske also has a venture-capital firm.

“An accounting firm is very structured. With Roger, you don’t know what’s going to happen next,” Carlson says. “When I joined Penske, we had just entered our convertible debt arrangement. Six months later, the Smart Car deal came about. This past year we’ve been evaluating our capital structure and came close to pulling off the acquisition of the Saturn brand from General Motors. It’s definitely a strong team here with Roger as the captain. It’s great to see how his mind works and participate in some of the things he’s doing.”

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relationships with hedge fund and private equity sponsors. Sherman co-founded JME Management LLC, a distressed and special situation investment vehicle, where he played a key role in the formation of the investor group and in raising financing for the acquisition of Diversified Machines (Uni-boring Inc.) by the Carlyle Group and JME.

Trent N. Tappe, BBA/MAcc ’90, has been named senior VP and chief corporate governance and securities counsel at Warner Music Group, the only stand-alone music company in the U.S. to be publicly traded. In addition to his responsibilities in corporate governance, securities law, and securities compliance, Trent also is in charge of coordinating the company’s corporate secretory function. He is a member of the disclosure committee and the SOX steering committee. Prior to joining Warner Music in 2004, Trent was an associate at Shearman & Sterling LLP, a New York law firm. He has a JD from Columbia Law School.

Steven Morgan, MBA ’91, has been promoted to managing director of institutional sales for FBR Capital Markets Corp., a leading investment bank serving the middle market. Steven is a 13-year veteran of FBR’s institutional sales team. A CPA, he began his career as an accountant at Deloitte, Haskins & Sells and then became an acquisition specialist for Heitman Financial. He also spent several years in corporate finance at HBO.

Robert Bennett, MBA ’92, has been appointed a committee chair of the National Investor Relations Institute of Boston. Rob joined BioCryst Pharmaceuticals as executive director, business development and investor relations, in April 2009. For the previous four years, he was executive director, investor relations, at Merck KGaA and Serono SA. From 2001 to 2005 he was senior director, investor relations and corporate communications, for Celera. In addition to nine years of investor relations and communications experience, Rob spent 13 years in various commercial roles in the specialty chemicals industry, including international marketing, product management, sales, and business development.


Christopher Leader, MBA ’91, recently was hired as COO of Hoshizaki America. He is a former officer in the United States Navy. Most recently, Christopher headed operations at Skyline Corp., a NYSE company in the manufactured housing and recreational vehicle industries. Prior to Skyline, he was affiliated with TREK Bicycle Corp., where he also was responsible for operations.

James Danko, MBA ’92, the Helen and William O’Toole Dean of the Villanova School of Business, has been elected to the board of directors of the Graduate Management Admission Council (GMAC). Established in 1953, GMAC is a nonprofit organization of graduate business schools worldwide. Based in McLean, Va., GMAC owns and administers the GMAT exam. As a GMAC director, James collaborates with other board members to ensure effective and strategic operation of the organization. The board monitors GMAC’s activities, projects, and programs to ensure its mission is present in each.

Steve Simoncic, BBA ’92, is chief creative officer at independent marketing communications firm Jacobson Rost. He joined Jacobson Rost from PEAK6 Investments LLP, where he served as CCO and helped establish the innovative financial services firm’s branding division. Previously, Steve was a senior VP and creative director at Leo Burnett Worldwide, where he created award-winning campaigns for leading global brands during his 15-year tenure. When he’s not copywriting, directing TV spots, or collaborating with clients and team members, Steve spends his leisure time playing in his band and writing plays.
Another day dawns in Washington, D.C., and Marisa Uchin, MBA ’04, amps up the energy. As a lead lobbyist on climate change for San Francisco-based energy holding company PG&E Corp., she faces a typically full calendar. This one starts with a fundraiser followed by a conference call with three senators. Then she’s off to a natural gas industry roundtable, followed by a trip to Capitol Hill for a Senate staff meeting with members of the United States Climate Action Partnership. (PG&E is a founding member.) Last task: reviewing a study on climate change, focusing on the analysis and how PG&E wants to frame its message.

“I’ve always been interested in policy and government, but also business,” Uchin says. “I want to be at the cross-section where the two come together. Energy is where all the attention is, and climate change is the biggest issue right now.”

On the surface, Uchin’s current position doesn’t follow the most logical career trajectory. Most recently, she was director of automotive strategy and remarketing at XM Satellite Radio. It was there that she observed how XM’s merger with Sirius Satellite Radio hung on a government decision, and she was captivated by the way relationships impacted the process.

At that time, climate change and energy independence were becoming popular buzzwords on the Hill, and companies like PG&E knew that a nationwide cap on carbon emissions, along with the trading of emission permits, was a real possibility. Landing the job at PG&E in 2007 “had more to do with me and my interests than a career plan,” Uchin says.

PG&E is the parent of Pacific Gas and Electric Co., one of the largest investor-owned gas and electric utilities in the country. The firm takes the position that the data on global warming cannot be ignored, and that burning fossil fuels contributes to climate change. Last year PG&E left the U.S. Chamber of Commerce — the country’s largest business federation — citing disagreements over the science of climate change. The firm supports cap and trade but also seeks complementary polices to avoid skyrocketing utility bills for consumers. Advancing its agenda boils down to building consensus and developing strategy, Uchin says.

“It’s unbelievable how you can manage and hedge your risk if you effectively manage your relationships in Washington,” she says. “This is about looking out for your customers, employees, and shareholders, and making sure you can sustainably run your business.”

Uchin says she often references her Ross experience — particularly her MAP project for American Express — to assess issues, evaluate options, and come up with a plan of action in a short period of time. “When you see an amendment that’s about to be voted on, you have to think quickly on your feet to see if it will work for your customers, who also are the constituents of many members of Congress. My MAP project was invaluable. I keep that experience in my pocket and pull it out all the time,” she says.

Energy, meanwhile, appears to be a recurring theme in Uchin’s life. An avid cyclist and runner, she has biked across the United States twice. The trip requires 55 days of cycling, with a day off each week. For Uchin, it’s an ideal way to see the country: “Walking is too slow. And if you drive, you miss the people, the smells, and the weather.”

All roads lead back to Washington, though, where Uchin is active in the DuPont Circle Citizens Association and Habitat for Humanity. She even took her first shot at running for local elected office, losing by just nine votes. But most of her energy is directed toward climate change and the Hill. “If you’re not paying attention to what’s going on in Washington, you’re putting your business at risk,” she says. — Terry Kosdrosky
Joel Wittenberg, MBA ’92, joined the W.K. Kellogg Foundation in Battle Creek, Mich., as VP and chief investment officer in September. Most recently, he was corporate VP for treasury and investor relations at the Kellogg Co. "Joel’s solid background and success in the corporate world are just what we need to continue the foundation’s high financial management standards,” says Sterling Speirn, the foundation’s president and CEO. Prior to joining the Kellogg Co., Joel was VP and treasurer with Armstrong World Industries in Lancaster, Pa. He also held several key treasury roles with Dow Chemical Co. of Midland, Mich.

Brad Hughes, MBA ’93, has been named VP and CFO of Cooper Tire & Rubber Co. Since 2008 Brad has worked as global product development controller for Ford Motor Co. A Ford employee since 1986, he previously worked as finance director for Ford’s South America operations in Sao Paulo, Brazil; as director of European business strategy and implementation in Cologne, Germany; and in other corporate finance and treasury positions. Prior to joining Ford, Brad worked for Fruehauf Finance Corp. in Detroit.

Andrew Masterman, MBA ’93, has been appointed president and CEO of ESAB Welding & Cutting North America. Andrew previously was president of Metalico’s platinum group metals division. Prior to that, he held the position of president at Spartan Light Metals and Walbro Engine Management Corp. He also has served in a senior financial role for Intel Corp.’s server business unit.

Nicholas C. Conrad, MBA ’94, was named VP of finance and treasurer of the Andersons Inc. in October. He oversees the finance, treasury, investor relations, credit, and insurance functions. An employee of the Andersons since 1984, Nick has served as the credit manager, cash manager, and assistant treasurer. He resides in Sylvania, Ohio, with his wife, Gail.

Len Greer, MBA ’94, has been appointed senior VP, marketing, for CVS Caremark’s pharmacy benefit management business. Len joins the company from ActiveHealth, where he was executive VP, marketing and product management, responsible for developing and implementing strategies to drive growth in the health management business. Prior to that, he was with Medco Health, where he held various senior marketing roles, and McKinsey & Co., where he assisted clients on issues of marketing, strategy, product development, and operations.

Kevin Nowlan, MBA ’95, is VP and treasurer of ArvinMeritor, headquartered in Troy, Mich. He is responsible for the company’s global capital market and treasury activities. He previously was VP and assistant treasurer and has been with the company since 2007. Prior to that, Kevin held a series of senior-level financial positions with the GM treasurer’s office and GMAC Financial Services. ArvinMeritor is a global supplier of a broad range of integrated systems, modules, and components to the motor vehicle industry.

David Smart, MBA ’96, recently was named senior VP and CFO of Pella Corp. David most recently served as CFO of Ford Australia and before that was VP of finance, management information systems, and strategy for Jaguar and Land Rover North America.

David Voyticky, MBA ’96, is a new director on the board of Houston-based Best Energy Services Inc. He has more than 15 years of domestic and international experience in mergers and acquisitions, restructuring, and financing derived from serving as VP with Goldman Sachs and Houlihan Lokey in Los Angeles, and as an associate with J.P. Morgan in London and New York. David also designed and was a founding partner of Red Mountain Capital Partners. Additionally, he was a partner in the $300 million relaunch of Chapman Capital LLC.

Elaine O’Gorman, MBA ’98, was named chief marketing officer of the Receivables Exchange, the world’s leading online marketplace for real-time trading of accounts receivable. Before joining the exchange, Elaine led the marketing efforts of Silverpop Systems and also was part of the American Airlines marketing team. Elaine’s teams have been recognized with more than two dozen awards, including the BMA...
He Works Hard for Your Money

Allen Bañez, MBA ’90, Fights for the Little Guy

When a busy friend started having trouble with the transmission on his car, Allen Bañez, MBA ’90, was on the case. As a favor, Bañez navigated the customer service maze that often accompanies defective products, and secured a new transmission. It took a few weeks and didn’t cost a thing.

“That experience proved to me that consumer advocacy was a service needed by the general public,” says Bañez. “I feel bad seeing people lose their hard-earned money on defective products and poor customer service, while executives brag about their quality products and excellent customer service.”

Bañez acted on those feelings to found LetterChamp in 2006. The Bay Area startup has a dual mission: to advocate on behalf of disgruntled consumers and to help companies regain favor and retain those consumers.

“We show our clients that companies will stand by their products,” he says. “Customers will continue to return to companies when they do that. When they don’t, customers won’t buy their products again.”

LetterChamp, featured in Smart Money in 2008, currently counts five employees across the country. They handle an average of 20 to 30 consumer cases per month. The company makes a profit only on successful cases, receiving a third of the refund or replacement cost of the product in question. As Bañez says, “There’s no risk to the consumer. If we don’t win their case, they don’t have to pay us.”

But most likely, LetterChamp will win. With his background in price and sales negotiations, Bañez is a natural at convincing executives of his argument. The company has a 96 to 98 percent success rate. Bañez says LetterChamp’s employees are so successful because they bypass customer service and deal directly with executives and business owners who often don’t see what’s happening at the customer level.

“Our arguments are logical, polite, concise, and supported by documentation,” he says. “There is no emotion involved. It’s hard to argue with the facts when we clearly show that the company is at fault.”

To market LetterChamp, Bañez has mostly relied on word-of-mouth, but these days he is using social media tools like LinkedIn, Facebook, and Twitter. The company’s website (www.letterchamp.com) features a blog and other content and advice directed toward consumers. Bañez plans to enhance the site with more brand information and a space for consumers to rate products.

The LetterChamp blog (www.letterchamp.com/blog) already is a valuable resource for consumers looking for tips. Bañez’s top three pieces of advice: 1) Keep the receipt and warranty information for your products in a special folder; 2) Be polite and logical when speaking with representatives from the company; and 3) Don’t procrastinate when complaining about a consumer issue.

Bañez’s next endeavor is a free e-book that promises to teach people how to make their cars last longer, appropriately called How to Make Your Car Last. Bañez is a real expert on the subject, having owned several cars with 200,000 and 300,000 miles on them.

It’s that expertise that continues to drive LetterChamp’s business model. While most entrepreneurs are concerned with making their own money, Bañez is intent on helping others hang on to theirs.

“You work hard for your money, so shouldn’t companies work just as hard to earn and keep your business?” says Bañez. “We’re very passionate about making sure our clients get what they deserve. We love winning one for the little guy.”

—Leah Sipher-Mann
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Ace awards, the SIIA CODiE awards, the IABC Golden Flame awards, the Best of SaaS Showplace awards, and the PRSA Phoenix awards.

Miguel Madrigal, MBA ‘99, recently was promoted to general manager of business development for Peabody Energy. Miguel primarily will be responsible for expanding the company’s business platform in Australia. He will be based in Brisbane and will be an integral part of the Australian senior management team. Miguel joined the company in 2006 as general manager of Venezuelan operations. Prior to joining Peabody, he led Venezuelan operations for Excel Coal. He also served as corporate finance adviser to a variety of mining companies in his role as associate director at RFC Corporate Finance Ltd., a Sydney, Australia-based investment bank.

Lee Shainis, BBA ‘99, recently celebrated the 10th anniversary of his nonprofit, Intercambio de Comunidades. The organization’s mission is to build respectful communities and increase opportunities for immigrants through language education, cultural exchange, and friendship. Get more information at www.intercambioweb.org. Lee also is the author of the guide What Every Immigrant Needs to Know.

Carl Hasselbarth, BBA ‘03, won the 2009 James E. Beckley Securities Arbitration and Law Writing Competition sponsored by the Public Investors Arbitration Bar Association (PIABA). The article, “How Should We Regulate Hedge Funds?” is slated for publication in the PIABA Bar Journal. Carl recently graduated from Brooklyn Law School. He was inspired to write the piece after working for Bear Stearns in the summer during which two middle hedge funds crashed.

John Minor Jr., MBA ‘03, recently joined Cary Street Partners in Richmond, Va., as a managing director of the firm’s financial institutions group. Prior to Cary Street, John was a director in the financial institutions group at Barclays Capital and Lehman Bros., where he advised on strategic M&A and capital-raising transactions. Prior to attending Ross, John worked in the investment banking division of BB&T Capital Markets and Scott & Stringfellow.

Grace Tsuei, MBA ‘03, recently was appointed to the board of advisers at JobConcierge. She currently is a senior human resources generalist at Feinstein Kean Healthcare, a life sciences and healthcare communications firm. Grace also is the founder of two entrepreneurial endeavors: H2O HR, a human resources consulting practice, and MaiZinGrace Designs, a jewelry design and party business. Throughout her career, Grace has focused her efforts in strategic human resources for a variety of global corporations, including GlaxoSmithKline, J. Crew, Rodale, Aramark, KPMG, DuPont, Merck, and Timberland.

Marilyn Shazor, MBA ‘05, recently was appointed to the Chatfield College Board of Trustees. Chatfield College is Ohio’s only private, Catholic, three-year liberal arts college. Marilyn is CEO of Cincinnati Metro, a nonprofit, tax-funded public service of the Southwest Ohio Regional Transit Authority, providing about 22 million rides per year. Marilyn is the first female and the first minority to hold the position.

Jonathan Zald, BBA ‘05, has joined Atlantic-Pacific Capital Inc.’s New York office as an associate focusing on the direct private placement effort. Atlantic-Pacific Capital is the largest independent global placement agent for alternative investment funds and direct private placements. Jonathan previously was an investment banking analyst with Oppenheimer and Co. in both the leveraged finance and mergers and acquisitions departments.

Tom Morley, MBA ‘02, is president of Lube Stop, an $18 million quick oil change company in northeast Ohio. In December 2007 he introduced the Lube Stop Sustainability Program with the goal of creating positive ecological impacts. He has reduced expenses at the operation by hundreds of thousands of dollars and garnered several industry accolades for innovation and excellence in business. A year after the program’s launch, Lube Stop received the Award for Excellence in Environmental Stewardship from Ohio Gov. Ted Strickland. The company has been recognized by Crain’s Cleveland Business, Inside Business, Smart Business, and National Oil & Lube News, among others.

Craig Cooper, BBA ‘06, recently was sworn in as a new lawyer at the Mason County courthouse in Ludington, Mich. Craig is a third-generation graduate of the Michigan State University College of Law. He will be working for Plante & Moran PLLC in Auburn Hills, Mich., an employee benefits consulting group. He has worked as a legal intern at Carmen & Muss PLLC and as a legal extern in the 51st Circuit Court in Mason and Lake counties.
The apple never falls far from the tree. This well-worn axiom is the guiding principle behind online baby boutique Bundlelove, founded by Sandy Lee Carpenter, BBA ’00, and Kailyn McCracken, MBA ’04. Confused about what to buy someone’s newborn? Just take a cue from the offspring’s parents, they say.

Is mom a shoe addict or dad a foodie? At bundlelove.com, shoppers can find specialty “bundles” designed for almost any personality or lifestyle: the jet-setter, rock star, princess, neat freak, spa diva, tree hugger, bookworm, smarty pants, and more. There’s even a college-themed bundle, ideal for little Wolverines. “We really have something for everyone,” says Carpenter.

Launched in January, Santa Monica-based Bundlelove was born from the idea that shopping for baby gifts should be easy and fun, says Carpenter.

“We’re both at that age where everyone around us is having babies,” she says. “Finding a unique baby gift can be difficult. We don’t like buying things off a registry because it can be impersonal and, frankly, a bit boring. But retail stores can be time-consuming and intimidating.”

As for existing online baby stores, Carpenter and McCracken find them “cluttered and overwhelming.”

“We knew there was a better solution,” says Carpenter. “Neither of us have kids, so we wanted to create a store for people like us who may not know exactly what to buy but want to send a personal, memorable gift.”

They also wanted to create a seamless and streamlined consumer experience. Bundles are pre-packaged and gift-wrapped for one-stop shopping. “We wanted the gifts to be personal enough to send to a friend, but also sophisticated enough to send to a boss or business client,” says McCracken. “And you don’t have to think about piecing items together or wrapping your gift because we’ve already done the work for you.”

Bundles range from $65–$265 and may include clothing, books, CDs, skin products, and toys mostly geared for babies up to a year old. Carpenter and McCracken spend countless hours researching and selecting products and brands, which include Zootie Patootie, aden + anais, Green to Grow, and Erba Organics. The chic Belle baby carrier (included in the Jet Setter bundle) is favored by celebrities; the convertible Babymel diaper bag (which comes in the Super Dad) is two bags in one.

The business partners also wanted to make a statement with a brand identity that stands out from typical baby fare. Bundlelove eschews cute pastels and traditional iconography in favor of a more contemporary online look and feel. The approach is generating attention from several major mom-targeted blogs, such as strollertraffic.com and popsugar.com, which have featured various bundles on their sites.

“We’re definitely going to continue to take advantage of social media,” says McCracken. “We’re reaching out to different blogs all the time and developing our following on Facebook and Twitter. It is an amazing time when the most powerful marketing tools are available free of charge.”

The next major push will be a marketing effort directed at corporations.

For now, McCracken and Carpenter are nurturing their nascent business carefully and monitoring its growth, much like watchful parents.

“We have made a great deal of progress in the last nine months to launch the site,” says Carpenter. “But we know the biggest challenges are still ahead of us and can’t wait to take our ‘baby’ to the next level.”

—Leah Sipher-Mann
Jonathan Dropiewski, MBA ’06, is the mayor of Flat Rock, Mich. Jonathan has served on the Flat Rock City Council since 2003. He has worked as a senior accounting executive for Open Text Corp., which provides website management software for the state of Michigan, Chrysler, Herman Miller, and others. The city budget is Jonathan’s primary concern as mayor.

Edward Muransky, BBA ’06/JD ’09, is a litigation associate at Ulmer & Berne’s Cleveland office. Ulmer & Berne LLP is a full-service regional firm with approximately 175 attorneys in Cleveland, Columbus, Cincinnati, and Chicago.

Lakshmi Bhargave, MBA ’09, and Katie Miller, MBA ’10, are working with Ann Arbor Spark’s business accelerator program to develop and promote their company, Roomations LLC. Roomations is an interactive Web tool for home improvement. It was developed at the Ross School, and the duo used resources at the Zell Lurie Institute for Entrepreneurial Studies to further expand the idea.

Brewster Boyd, MBA/MS ’09, joined Denver-based CleanLaunch as director of finance. Prior to joining CleanLaunch, Brewster was a VP of the Ann Arbor-based Plymouth Venture Partners and a management consultant with A.T. Kearney. He also is the co-author of the book Hybrid Organizations: New Business Models for Environmental Leadership (see story, p. 13).

Jeffrey LeBrun, MBA/MS ’09, recently joined with U-M and Michigan State University students and alumni to develop a plan to use algae to treat wastewater and produce biomass feedstock. Team Algal Scientific won the $65,000 top prize in the U-M and DTE Energy Co-sponsored Clean Energy Prize competition. Now the team is executing their technical plan and raising funds to tap into an annual wastewater treatment market estimated to be about $1.5 to $2 billion. The team also includes Geoff Horst, BS ’02, a PhD candidate at MSU; Robert Levine, a U-M PhD candidate in chemical engineering; John Rice, MBA/MS ’09; Kevin Olmstead, PhD ’89; and Paul Horst, BS ’72/MBA ’73. Algal Scientific was awarded funding from the Michigan Pre-Seed Capital Fund that matched its prize winnings and angel investment. The team was chosen to be summer entrepreneurs-in-residence at Highland Capital Partners in Boston and have since moved into the Michigan Life Science Incubator. Algal’s process takes up nutrients at industrial and municipal wastewater treatment plants in a single step. The nutrient-packed algae are then harvested and converted to fertilizer, bioplastics, or biofuels.

Zoltan Mesko, BBA ’09, was a semifinalist for the 2009 National Football Foundation and College Hall of Fame National Scholar-Athlete Awards, and the 2009 William V. Campbell Trophy. Of the 154 nominees, Zoltan was one of only eight special teams players. A four-time Academic All-Big Ten selection, Zoltan also was recognized as a Big Ten Distinguished Scholar in 2009, the inaugural year of the award, having maintained a GPA of at least 3.7 in the 2008-09 academic year. In addition, he was named a 2009 First-team All-American. Zoltan also was named to the 2009 Allstate AFCA Food Works Team, which honors dedicated and hard-working student athletes for their off-the-field achievements and selfless contributions to their communities.
A ngelyn Justian, BBA ’07, never wanted a desk job. But as a teacher at the Bronx Global Enterprise Academy, she now faces more desks than she ever imagined. The high school opened in September 2003 with a curriculum customized for students interested in business and entrepreneurship.

“Although I value my business background, coming out of Ross I knew I didn’t want to do anything that was strictly business,” says Justian. So she joined the Teach for America program shortly after graduating, and soon discovered “business was something I could end up teaching.”

Through Teach for America, she was placed in a New York City public school, which kept her close to Ross friends who’d accepted jobs in the financial district. At the same time, she continued her own education, pursuing a certification through the Network for Teaching Entrepreneurship (NFTE). And when the position opened at the Bronx Global Enterprise Academy, Justian found the perfect way to blend her business acumen with her burgeoning interest in the classroom.

“I was able to use my Ross experience to create a class that focused on mathematics with a business application,” she says. “In writing the curriculum, I used my degree to show students how math and business are intertwined.”

Students in Justian’s ninth grade class learn integrated algebra, a standard practice for that grade. But they don’t learn it the standard way.

“Traditionally, you can solve a set of equations with substitution, elimination, or a graph,” says Justian. “But I show them that the break-even quantity is where your sales and cost functions meet, solving the equation.”

She finds the lesson resonates best with a relevant application: “If Nike has certain variable and fixed costs, how many shoes would they need to sell if they set a certain price?”

Justian keeps pushing the relevance factor through grant money she received with her NFTE certification. For her business math class, she teaches students the law of supply and demand by funding their efforts to buy goods to sell at a schoolwide fair.

“I tried teaching them all this on PowerPoint slides, but they weren’t really clear on what certain terms meant,” she says. “After we did the activity, we were able to have a much richer discussion because they understood what I was talking about.”

Justian always is on the lookout for other real-world examples to bring into the classroom. Her students now create business plans that require them to design a product, forecast sales, set a marketing strategy, and identify competitive advantages. Students then participate in a business plan competition, where they can win money funded by the NFTE grant.

Thinking back to her time at Ross, Justian realizes how many of her ideas and activities are inspired by her experiences as a BBA student. And from her current perspective on the teacher’s side of the desk, she now has a clear understanding of the skills it takes to deliver a good lesson.

“I had no idea what I was doing when I first entered the classroom,” she says. “It’s not as easy as teachers made it look when I was a student. But I came out of Ross with a lot of confidence, and that’s not something that’s easily taught.”

As Justian looks to the future, she can see a possible career in education policy reform. But for now, she has no plans to follow her friends into finance.

“My students always ask me why, with all my business knowledge, I’m not working on Wall Street,” Justian says. “I tell them it’s because we need smart people teaching today’s youth.”

—Leah Sipher-Mann
Charles Low, BBA ’46/MBA ’47, passed away in January, surrounded by his family at his residence in Bay City, Mich. He was 84. The son of Scottish immigrants, Charles was born in Detroit and graduated from Mackenzie High School. He enlisted in the United States Navy V-12 Program and was commissioned as an ensign at the age of 19. He graduated from U-M via the GI Bill and was a member of the varsity track team and Delta Sigma Pi fraternity. Charles was employed by Ford Tractor Operations (international division) from 1949 to 1985. He was an active member of his church society, and was a member of the Clan MacLaren Society of North America and the St. Andrew’s Society of Detroit. He was president of the U-M Alumni Club of Detroit, a member of the M Club for varsity athletes, and an avid golfer. He served as a trustee and board member of Bloomfield Township for nine years and served on the Bloomfield Township Planning Commission for seven years. Charles will be remembered for the jokes and stories he had for all occasions. He was a man of great integrity and was very proud of his Scottish heritage. He also was a very loyal fan of the U-M football team and never missed a home game.

Jerome York, MBA ’66, passed away in March at the age of 71. He was a generous donor to the Ross School and, with his wife, endowed the Jerome B. and Eilene M. York Professor of Business Administration held by finance professor Nejat Seyhun. Jerry was CEO of the private investment firm Harwinton Capital LLC, and had been CFO at both Chrysler Corp. and IBM Corp. In addition, he was a director of Apple Inc. and Tyco International Ltd. Detroit Free Press columnist Tom Walsh wrote that Jerry “will be missed for his smarts, his candor, and his wicked way of slicing through corporate mumbo-jumbo and laying bare the excuses of failing executives.” Jerry was born in Memphis in 1938 and graduated from the U.S. Military Academy. He earned a master of science degree from the Massachusetts Institute of Technology before earning his MBA at U-M.

Mark Warner Semeijn, MBA ’71, died on July 17, 2009, at age 62, after battling cancer for five years. Mark was living in Milan, Mich., with family. He began his career in the automotive industry in 1972, joining Bendix Corp. as a financial analyst. He traveled the world, successfully completing mergers and joint ventures for Allied Signal automotive products. In 1993 he joined Siebe PLC in Plymouth, England, as president of the fluid systems division. In 2000 he fulfilled a lifelong dream by purchasing Mullett Lake Marina in northern Michigan, and ran it successfully with his son until 2004. Mark was an avid reader and enjoyed politics and American history.

Robert McDonough, BBA ’74/MBA ’76, died on July 14, 2009, at age 57. Bob, who was serving as Fabius Township, Mich., supervisor, died at the University of Michigan Hospital, surrounded by his family. He suffered a heart attack while bicycling two days earlier. Bob was both an attorney and CPA. He began his career with the Upjohn Co. in 1979 and had been with the company and its successor organizations until his retirement in 2007. During his tenure in the pharmaceutical industry, he held senior positions in corporate finance and taxation, global public policy, and corporate affairs. Bob served two terms as mayor of Three Rivers, Mich., was president of the Three Rivers Community Schools Board of Education, and was chairman of the Three Rivers Area Hospital Authority Board. He was a board member of the Irving S. Gilmore Foundation and Borgess Health.

Tom Glaza, BBA ’57/MBA ’59, passed away on July 18, 2009, after a battle with cancer. He was 74. Tom was born in Bay City, Mich., and lived in Cumming. He launched his business career at IBM, where he achieved many awards, including the IBM Golden Circle, the top recognition for elite sales performers. While with IBM, Tom was instrumental in writing the Cospels books. He then created his own company, GMD. After selling his company, Tom joined MAPICS as VP of marketing and business development. He loved to garden, was known for his gourmet cooking talent, and was a gifted photographer. He is survived by his wife and three sons, as well as seven grandchildren. “When I married Tom, I was given very little chance to be anything but a Wolverines fan, though I remain a proud Kansas girl,” says his wife, Carolyn. “Michigan football played a very important part in Tom’s life, and I will continue to watch the games and always be ready with a ‘Go Blue!’ cheer.”

Do you have news to share with Ross classmates? We’d love to hear from you. Send your class notes to dividend@umich.edu.
Like many people worldwide, I watched the coverage of January’s earthquake in Haiti from the safety of my living room. I felt a heartbreaking million miles away from the country I left just three years earlier to pursue my MBA at Ross. Day after day, CNN delivered vivid images of Anderson Cooper and Sanjay Gupta, BS ’90/MD ’93, against a backdrop of makeshift tents and rubble. I connected with their obvious frustration that assistance and supplies were slow to arrive, causing “senseless and preventable” suffering. I knew all too well from my time in Haiti that the dilemma of not having what you need — when you need it — is nothing new for this island nation.

Prior to Ross, I worked with Partners in Health in Boston and in rural Haiti, a bumpy two-hour drive north of Port-au-Prince on largely unpaved roads. My role was to help manage maternal and child healthcare programs across a network of nine full-service, chiefly Haitian-run hospitals delivering free care to a poverty-stricken population. In my everyday work — be it devising a grant’s implementation plan, establishing a new protocol to collect data, or producing a quarterly financial report — I quickly learned that my managerial success was rooted in my ability to engage, listen to, and support the expert vision of the Haitian staff — community health workers and doctors alike.

Watching the earthquake coverage, I was reminded of a day trip in 2006. I accompanied a team of Haitian medical staff on one of the multiple mobile clinics held each week for remote mountaintop communities surrounding the main hospitals. Truck, then foot, then donkeys took us to meet the patients who had been waiting since sunrise. One elderly peasant farmer mumbled between gaps where teeth used to be, his hands shaking as he explained to the Haitian nurse, “M gen yon dlo si k’ap lave mwen.” (The sour water washes over me.) Later I learned that, like so many others we saw that day, he complained of heartburn — not from indigestion but from an empty stomach. We had climbed this mountain to provide healthcare, only to come face to face with endemic hunger. Armed only with drugs, the nurse had no choice but to medicate his hunger with antacids and vitamins.

Far more people than expected arrived at the clinic, and the nurse insisted we stay until everyone was seen. Already dark, we packed the remaining supplies onto the donkeys and descended the increasingly dark footpath. Without an electric grid or a full moon, the countryside soon became so dark that even the donkeys had trouble maintaining their footing. The nurse started calling out for help. Within moments, a local woman shouted back to us that she had a flashlight, but no batteries. A man’s voice then emerged from a different direction, offering us the batteries straight out of his handheld radio. Out of the darkness, local residents pieced together a working flashlight that led us the rest of the way.

The global outpouring of support for Haiti has been incredible. The Ross community has mobilized to take the best possible action in this terrible situation, raising money to support Partners in Health and other locally embedded organizations working to “build back better.” I know firsthand how frustrating it can be to address one issue in Haiti, only to discover another — be it a chronic lack of food or the crippling logistical difficulties of distributing supplies to the people who need it most. As I think back on those peasant farmers who helped a trained medical team procure a critical flashlight, I am reminded of the valuable human resources that exist on the ground in Haiti. My personal hope is that the global community will work directly with the Haitian people to help them devise long-term solutions to their long-standing challenges, and that we will not confuse a need for resources with a lack of locally developed ideas and solutions for the future. *

Dara Moses is an associate in the higher education practice at Huron Consulting Group in Ann Arbor.
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