

● SPRING 2014 ● dividend

ROSS AROUND THE WORLD

A GLOBAL VIEW OF THE ROSS COMMUNITY'S POSITIVE IMPACT



ALSO IN THIS ISSUE:

THE BEST BBA PROGRAM JUST GOT BETTER
SIMPLE STEPS TO BE A BETTER LEADER

dividend

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DEAN

Alison Davis-Blake

CHIEF MARKETING OFFICER

John Trierweiler

EDITORIAL DIRECTOR

Tamra Talmadge-Anderson

EDITORIAL MANAGER

Bob Needham

WRITERS

Terry Kosdrosky, Chrysta Cherrie, Bob Needham, Christopher Ankney

CREATIVE DIRECTOR

Liene Karels

DESIGNER

Gretchen Hehlo

PRODUCTION MANAGER

Fay Sommer

PRINTER

University Lithographers

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Mark J. Bernstein, Julia Donovan Darlow, Laurence B. Deitch, Shauna Ryder Diggs, Denise Ilitch, Andrea Fischer Newman, Andrew C. Richner, Katherine E. White, Mary Sue Coleman, ex officio.

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VICTORS

Victors For Michigan: Victory For Ross Campaign Off To A Strong Start

A new capital campaign aims to ensure that Michigan Ross can continue to fulfill its unique mission while remaining one of the world's best business schools.

That requires state-of-the-art facilities, first-class programming, top-flight faculty, and the best and brightest students.

The \$400 million "Victors for Michigan: Victory for Ross" campaign — part of a \$4 billion University of Michigan effort — formally began in the fall with a kickoff dinner. A previously announced \$200 million gift to the university from Stephen M. Ross, BBA '62 — with \$100 million dedicated to the business school — gave the campaign a head start and went a long way toward covering the drive's \$135 million target for facilities.

However, that still leaves a lot of critical work to do.

"Our campaign goal is to ensure that the school has the financial resources needed to preserve and improve upon the great tradition at Ross."

—Eddie Sartin, Chief Development Officer, Michigan Ross

THE ROSS CAMPAIGN IS NOW EMPHASIZING THREE AREAS:

1. STUDENT SUPPORT — ensuring that qualified students have the financial resources to attend the school, a major focus at Ross and throughout the university

2. PROGRAM SUPPORT — advancing the Ross mission by enhancing and expanding opportunities in areas like action-based learning and study abroad

3. FACULTY SUPPORT — continuing to attract and retain educators who provide leadership in their fields, and who make a lifelong positive impact on their students

"We've got to continue to innovate our programs, further develop our faculty, and provide the resources to make Ross attainable for students who may not otherwise be able to afford it," Sartin says.

The campaign is off to a strong start, Sartin says, and he expects the school to announce between \$15 million and \$20 million in additional large gifts by the end of the fiscal year, June 30, 2014.

One such gift is \$1 million from the Desai Family Foundation, earmarked to develop a business accelerator in Southeast Michigan. The donors hope it will involve the new digital economy as well as the Michigan automotive/manufacturing sector, explains Bharat Desai, MBA '81.

The family felt inspired to make the gift because they like to support causes that will have solid and widespread positive impact, and they saw a chance to do so at a "truly outstanding institution," Desai says.

The accelerator — a joint venture of the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies and the College of Engineering's Center for Entrepreneurship — will offer infrastructure, mentoring, and financial support to qualified start-up companies. That support will help the companies become established and start growing on their own.

Desai knows something about succeeding as a startup; he co-founded and still serves as chairman of Syntel Inc., which has grown into a major worldwide IT services company.

Combined with the world-class resources and reputation of the University of Michigan, Desai envisions the accelerator becoming a place that will attract interest from around the globe. "This is a terrific opportunity for us to kick-start some great ideas for the state of Michigan," he says.

Anyone interested in finding out more about Victors for Michigan: Victory for Ross may contact Sartin at esartin@umich.edu or 734-647-4950.



VICTORS FOR MICHIGAN
VICTORY FOR ROSS



I have often said that to truly understand global business, one must experience it.

While this issue of our alumni magazine is focused on the global impact of the Ross community, the underlying theme is first and foremost about connections.

Time and again when I talk with Ross alumni, one of the first things they mention is the importance of staying connected, both with their fellow alums and the school. The strength, diversity, and commitment of the Ross alumni network are some of the greatest benefits of joining this school. With more than 45,000 living alumni in 88 countries, you are virtually guaranteed to connect with a Ross alum wherever your career path may take you.

The true breadth of that global network is on full display in this issue of *Dividend*. The stories within paint an exciting picture of the positive difference our alumni are making and the exciting opportunities our students have for action-based learning on each continent on the globe. From helping to transform Finland's economy to successful startups in Silicon Valley to creating a sustainable healthcare system in Uganda, Ross alumni, students, and faculty are truly using the power of business to create a better world.

The idea of staying connected with the school itself is also an important one. Ross alumni are consistent in their desire to give back to this school, whether through their time, talent, or supporting Ross with financial gifts. No matter how far they are from Ann Arbor or how many years have passed since they graduated, our alumni are highly engaged in thought leadership in their professions, in connecting new graduates with business leaders, in assisting with the recruitment of the next generation of students, and being ambassadors for Ross and the University of Michigan. The generous nature of our alumni was also exemplified in the strong kickoff of our new capital campaign.

Our alumni give so much to Ross that we have been developing new ways to both recognize your support and further strengthen your connection with the school. I have heard from many of you that you have a strong desire to engage on a path of lifelong learning and would like to do so through Ross. As you will read in the pages of *Dividend*, we are pleased to announce a new opportunity for Ross alumni to take advantage of our top-ranked Executive Education Program by offering you a complimentary program of your choice once every five years. It is our hope that you will take full advantage of one of the best executive education providers in the country, which will build on the strong foundation of your Ross degree and bring you back to the school and Ann Arbor. We also offer executive education programs in Asia and India, in keeping with Ross' global nature.

I am proud that Ross is one of the few top-ranked business schools to make something like this available to its alumni, and I look forward to seeing many of you back on campus among your peers.

Sincerely,

Alison Davis-Blake

Alison Davis-Blake
Edward J. Frey Dean
Stephen M. Ross Professor of Business

TAPPAN & HILL

REGENTS APPROVE ROSS CONSTRUCTION PROJECT



A \$135 million building project will provide room to grow for Michigan Ross and create a unified look for the entire business school complex, following approval in February by the University of Michigan Board of Regents.

The project was announced in September 2013 as part of a historic gift of \$200 million from **Stephen M. Ross, BBA '62**, \$100 million of which is dedicated to the Ross building effort. The project includes construction of a new academic building and a comprehensive renovation of the Kresge Library. To make way for the new construction, the Electronic Education and Resources Building will be demolished.

In addition, the project includes the addition of exterior building finishes to Sam Wyly Hall, the Executive Residence, and the Hill Street Parking Structure to create a unified look for the business school facilities. The new building will include 104,000 square feet of space.

The work will add classrooms; study areas; integrated student, staff, and faculty spaces for many of the Ross School's centers and institutes; a greatly enhanced area for on-campus recruiting including a reception area, recruiter lounge, and interview rooms; and enhanced space for admissions, financial aid, and academic program offices.

SAVE THE DATE FOR REUNION

REUNION
OCT 31
THROUGH
NOV 1

Ross tailgate before the football game that Saturday. The Wolverines will host the Indiana Hoosiers.

The dates have been set for this year's Reunion: Mark your calendars to be in Ann Arbor Oct. 31-Nov. 1 for Homecoming weekend.

A full schedule for the reunion is not yet available, but expect the traditional

A NEW GIFT OF LIFELONG LEARNING FOR ROSS ALUMS



Ross invites its alumni to take advantage of a special new opportunity: A complimentary offering from the school's acclaimed Executive Education Program.

As an investment in the lifelong learning of all Ross graduates – bachelor's, master's, or doctorate – Ross is offering one Executive Education program, of any length, free of charge once every five years. These programs help business leaders develop their skills in areas like general management, leadership, and human resources. The Ross Executive Education Program was recently rated top 10 globally by the Financial Times and has been long recognized as the best program of its kind for leadership development.

There is no charge for the program; however, Ross alumni will be asked to cover the daily hotel accommodations fee, pending space availability in the class. The invitation only applies to Ross alums and is not transferable. Dates, specific topics, and details on these programs can be found on the Ross School website, exceed.bus.umich.edu.

ROSS TO HOST INAUGURAL POSITIVE BUSINESS CONFERENCE IN MAY

Michigan Ross takes a leading role in the field of socially responsible business, so it's fitting that the school will host the first-ever Positive Business Conference on May 15-17.

C-level executives from companies including Whole Foods, Ford, and Procter & Gamble will take the stage to share the most inspiring and practical positive business practices at their organizations. With a number of academics presenting and conducting workshops alongside the world-class business leaders, the breadth of business topics to be addressed will make the conference a unique experience.

The event will bring together the diverse perspectives of business professionals, academics, students, and industry luminaries. Conference sessions will cover practical examples of positive business practices as well as workshops based on the research underlying those practices.

For more information or to register, go online to positivebusinessconference.com.

NEW BOOK OFFERS PRACTICAL INSIGHTS ON POSITIVE LEADERSHIP



An upcoming book featuring contributions from a number of Ross faculty members presents usable, real-world advice for those looking to put the principles of positive leadership into action. *How To Be a Positive Leader: Small Actions, Big Impact*, edited by Ross professors **Jane Dutton** and **Gretchen Spreitzer**, includes practical chapters on topics like negotiating mindfully, building high-quality connections, and creating opportunity from crisis.

Most contributors in the book are affiliated with Ross' Center for Positive Organizations, with chapters from Ross faculty members including **Kim Cameron**, **Shirli Kopelman**, **David Mayer**, **Robert Quinn**, and **Lynn Wooten**. Sidebars drawn from real-world business situations illustrate the power of the book's lessons, and each chapter ends with concise take-aways framed as "tweets" that the authors hope readers will actually share on social media. The book will be unveiled and be on sale at the Positive Business Conference, and will also be available in bookstores and online from Amazon.com.

TAUBER PROJECTS PAY DIVIDENDS TO STUDENTS AND COMPANIES

More than 70 students from Michigan Ross and the U-M School of Engineering are getting real-world experience this spring embedded with major international companies through the Tauber Institute for Global Operations.

Students from the Ross Master of Supply Chain Management and MBA programs are working on 14-week team projects for companies like Verizon, Boeing, Amazon, General Mills, and 3M. Dave Brandon, Michigan athletic director and former chairman and CEO of Domino's Pizza, delivered the keynote address at the team project kickoff March 11.

The projects are paid, but these are unlike any internships you've ever heard of: They're specifically designed to challenge the student teams to find innovative solutions to real operations and supply-chain issues with both business and engineering components. Past projects have saved sponsor companies millions of dollars.



Starting with the next cohort, the EMBA-LA Program will have a new home: the historic Hyatt Regency Century Plaza, in the Century City area just off the 405 expressway.

EXECUTIVE MBA – LA PROGRAM GRADUATES FIRST CLASS



In 2011, Ross announced the groundbreaking expansion of its acclaimed Executive MBA Program to a second location in Los Angeles. The first cohort began classes in 2012, and this spring those students are graduating.

The first graduating class includes 37 students, representing 34 different employers and 18 distinct industries.

The LA program features the same accomplished Ross faculty members, popular once-a-month format, and powerful Leadership Development Program that are keys to the success of the Executive MBA in Ann Arbor. The program appeals to mid-career executives looking to further advance their business skills.

MASTER OF MANAGEMENT PROGRAM ADMITS FIRST STUDENTS

This summer, Ross will welcome the first students to its Master of Management Program — a new, one-year degree that will offer a solid grounding in business fundamentals to recent bachelor's degree graduates from the sciences, engineering, or liberal arts.

The program has drawn strong interest from potential students before it's even begun.

"We are very excited about the launch of our program and the caliber of students who have applied," says **Amy Dittmar**, associate dean for specialty master's programs and an associate professor of finance. "Our first batch of admitted students reflects a diverse group from many different non-business majors who have demonstrated high achievement. The MM program at Ross has the potential to be transformative for these students, with engaging curriculum and leadership training."

The program starts at Ross in July. For more information, go online to www.bus.umich.edu/admissions/MM.

FACULTY AWARDS, HONORS, AND ACCOLADES

WALLACE HOPP SELECTED TO NATIONAL ACADEMY OF ENGINEERING



The National Academy of Engineering has elected **Wallace Hopp**, senior associate dean for faculty and research, to join its ranks in recognition of his work applying physics principles to operations and supply chains.

Hopp has shown how factories, supply chain managers, and even hospitals can apply basic principles of physics to improve flow, save money, and make customers happier. Hopp is also Herrick Professor of Business, professor of technology and operations, and professor of industrial and operations engineering. "Election to the NAE is particularly special because the voters, NAE members, are the most distinguished engineers in the country. So it's like being told by your heroes and role models that your work has made a difference," says Hopp. "It really means a lot to me."

MAXIM SYTCH ONE OF WORLD'S 40 BEST B-SCHOOL PROFS UNDER 40



Online business education magazine Poets & Quants has named Professor **Maxim Sytch** as one of the world's 40 best business school professors under the age of 40.

Sytch, a professor of management and organizations, studies how inter-organizational ties form, evolve, and create globally connected social systems. He also looks at how those systems impact organizational behavior and outcomes.

Says Poets & Quants: "Maxim Sytch has a resume filled with achievements—eight pages of them, to be exact. From research publications and book reviews to conference presentations and academic awards, this 35-year-old at the University of Michigan's Ross School is definitely a star professor on the rise."

DAVID MAYER RECEIVES INTERNATIONAL SOCIETY OF JUSTICE RESEARCH AWARD



Professor **David Mayer** received the 2014 International Society of Justice Research (ISJR) Early Career Contribution Award. The award is given in recognition of his exceptional record of publications, many of them in leading journals in the field of management and organizational behavior. Mayer, assistant professor of management and organizations, also researches morals and ethics in

organizations, organizational justice, and affirmative action and workplace diversity. Mayer is also an incoming associate editor of the *Academy of Management Journal* and co-organizer of the Society for Personality and Social Psychology's preconference on justice and morality. The award will be presented at the ISJR biennial conference in New York, June 19-22.

LYNN WOOTEN NAMED GENESIS SCHOLAR



Lynn Wooten, associate dean for undergraduate programs, was named as one of *HBCU Digest* magazine's inaugural Genesis Scholars. The honor is for faculty members and administrators doing extraordinary work in research and teaching, and who received their undergraduate degrees from historically black colleges and universities. Wooten, also clinical associate professor of strategy and management & organizations, earned her bachelor's degree from North Carolina A&T State University.

TOM KINNEAR RECEIVES LIFETIME ACHIEVEMENT AWARD



The Michigan Venture Capital Association has honored Professor **Tom Kinnear** with a lifetime achievement award. Kinnear, the D Maynard Phelps Collegiate Professor of Business Administration and professor of marketing, is also chairman of the state-backed Venture Michigan Fund. He's been active in the entrepreneurial world as co-founder, investor, adviser, and board member of several companies including Network Express, BlueGill Technologies, Accuri Instruments, Avail Networks, Avidimer Therapeutics, Mobius Microsystems, Janeeva, nanoCerox, and NanoBio.

Kinnear is a member of the investment committee for EDF Ventures and Arboretum Ventures and a limited partner in Apjohn Ventures, Arbor Partner Ventures, Arboretum Ventures, EDF Ventures, and RPM Ventures. He recently was named to the board of directors for Tellurex.

THOMAS J. SCHRIBER NAMED PIONEER OF COMPUTER SIMULATION



Professor **Thomas J. Schriber**, author of the widely used "red book" titled *Simulation Using GPSS*, was named a Computer Simulation Pioneer by the North Carolina State University Computer Simulation Archive, with support from the National Science Foundation. Schriber, professor of technology and operations, has been teaching at Ross since 1966 and was an early advocate of computers and computer simulation. His research interest has been discrete-event simulation (DES). Schriber's "red book" began as bound notes in 1968, and was published in book form in 1974, remaining in print for 21 years with more than 40 print runs.

DANA MUIR RECOGNIZED BY UNIVERSITY FOR PUBLIC SERVICE

Professor **Dana Muir** has received the university's Regents Award for Distinguished Public Service. An expert on retirement systems, Muir is a trusted adviser to government agencies and businesses on fiduciary issues related to compensation,

benefits law, and policy. Her scholarship has been cited by the U.S. Supreme Court and she has been selected as a fellow of the American College of Employee Benefits Counsel for her advancement of the employee benefits field. Muir is Arthur F. Thurnau Professor of Business Law.

JEFFREY SANCHEZ-BURKS NAMED TO EDITORIAL BOARD

The Journal of Personality and Social Psychology, one of the most prestigious journals in social psychology, has named Professor **Jeffrey Sanchez-Burks** to its editorial board. The appointment represents his thought leadership in the field and past service

to the journal. Sanchez-Burks is Michael R. and Mary Kay Hallman Fellow and associate professor of management and organizations.

THOMAS BUCHMUELLER ELECTED TO NATIONAL ACADEMY OF SOCIAL INSURANCE

Professor **Thomas Buchmueller** has been elected to the National Academy of Social Insurance, a nonprofit, nonpartisan organization made up of the nation's leading experts on social insurance. Academy members are recognized experts in Social Security and retirement

security, Medicare and health coverage, workers' compensation, private employee benefits, unemployment insurance, and related social assistance programs.

Buchmueller, the Waldo O. Hildebrand Professor of Risk Management and chair of business economics, was elected for improving the quality of research, administration, or policymaking in these areas.

Ross Thought in Action

Stay updated on Ross faculty members' latest research, awards, and accomplishments.

Sign up to receive email updates at:
www.bus.umich.edu/rossthought/

“We can solve our most complex challenges by empowering those who believe that business can, and should, be a force for good.”

Alison Davis-Blake, Edward J. Frey Dean and Stephen M. Ross Professor of Business

—*Bloomberg Businessweek*,
March 5, 2014

“The good news for newspapers is that advertising technology is getting smarter in multiple ways.”

S. Sriram, assistant professor of marketing, on how newspapers are dealing with declines in print advertising.

—*Times of India*
Oct. 30, 2013

“Big companies don't like uncertainty. They want to know you'll be able to deliver on your promises, so every customer you bring in replaces that uncertainty with fact and data. You're reducing your risk profile.”

Stewart Thornhill, executive director, Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies and professor of business administration, on the right way for small companies to lure big clients.

—*Wall Street Journal*
Jan. 11, 2014

“Generally we marry ourselves. We go out and find someone who mirrors the things we like about ourselves. But a tightwad doesn't like being a tightwad. A spendthrift does not like being a spendthrift. It turns out they don't want a second one of themselves in the home.”

Scott Rick, assistant professor of marketing, on why tightwads and spendthrifts tend to marry each other.

—*Forbes*
Nov. 26, 2013

“Boards are chosen in order to increase shareholder wealth. Placing restrictions on the composition of a board will reduce value.”

Amy Dittmar, associate dean for specialty masters programs, Michael R. and Mary Kay Hallman Fellow, and associate professor of finance, on having quotas for women on corporate boards.

—*The Globe and Mail (Toronto)*
Feb. 6, 2014

“This is something that's going to permeate through the whole manufacturing economy. We gave up on manufacturing too soon.”

Wallace Hopp, senior associate dean for faculty and research, Herrick Professor of Business, and professor of technology and operations, on the growth of low-volume, high-variability production.

—*Bloomberg*
Nov. 7, 2013

“The latest generation of students is quite different in how and what they learn and in the kind of careers they aspire to. They want to work for themselves or for companies that reflect their values and ideals.”

Alison Davis-Blake, Edward J. Frey Dean, discussing the Master of Entrepreneurship Program.

—*South China Morning Post*
Feb. 13, 2014

“When you're dealing with someone who you cannot fire and who won't step down, you have to make it a teachable moment.”

Lynn Wooten, associate dean for undergraduate programs, clinical associate professor of strategy and management & organizations, on troubled Toronto Mayor Rob Ford.

—*Fortune*
Nov. 19, 2013

“People bemoan many aspects of organizations: they're rigid, they kill creativity, you're a cog in the works. But one of the things that organizations also offer you, through some of those same structures, is that you're a part in a bigger whole.”

Susan Ashford, Michael & Susan Jandernoa Professor of Management and Organizations

—*Forbes*
Jan. 17, 2014

QuoteUnQuote

“One of my greatest frustrations at GM was we were never able to persuade top management that the world was changing rapidly and they needed to change to keep up with it.”

Marina Whitman, professor of business administration and public policy, on her time as a General Motors executive and the selection of Mary Barra as the automaker's first female CEO.

—*The New York Times*
Dec. 10, 2013

“Business leaders need to understand consumers, markets, customers, employees, colleagues in and outside the organization. This is a great way for our students to get there.”

Scott DeRue, professor of management and Director-Ross Leadership Initiative, on the RLI Impact Challenge for incoming MBA students.

—*Huffington Post*
Feb. 10, 2014

“When it comes to promotions or layoffs, that's when it starts to get hairy. Wait a minute, I thought I was doing my work really well, and because I didn't spend my time networking, I'm going to be fired?”

Gerald Davis, Wilbur K. Pierpont Collegiate Professor of Management and professor of management and organizations, on how far companies should go in encouraging employees to network.

—*Wall Street Journal*
Feb. 11, 2014

“It's well known that a simple technology such as a bed net is going to help combat malaria. Yet getting a bed net to people is really hard to do. You have great distances to travel. You don't have any kind of transportation infrastructure. It just adds tremendously to the costs.”

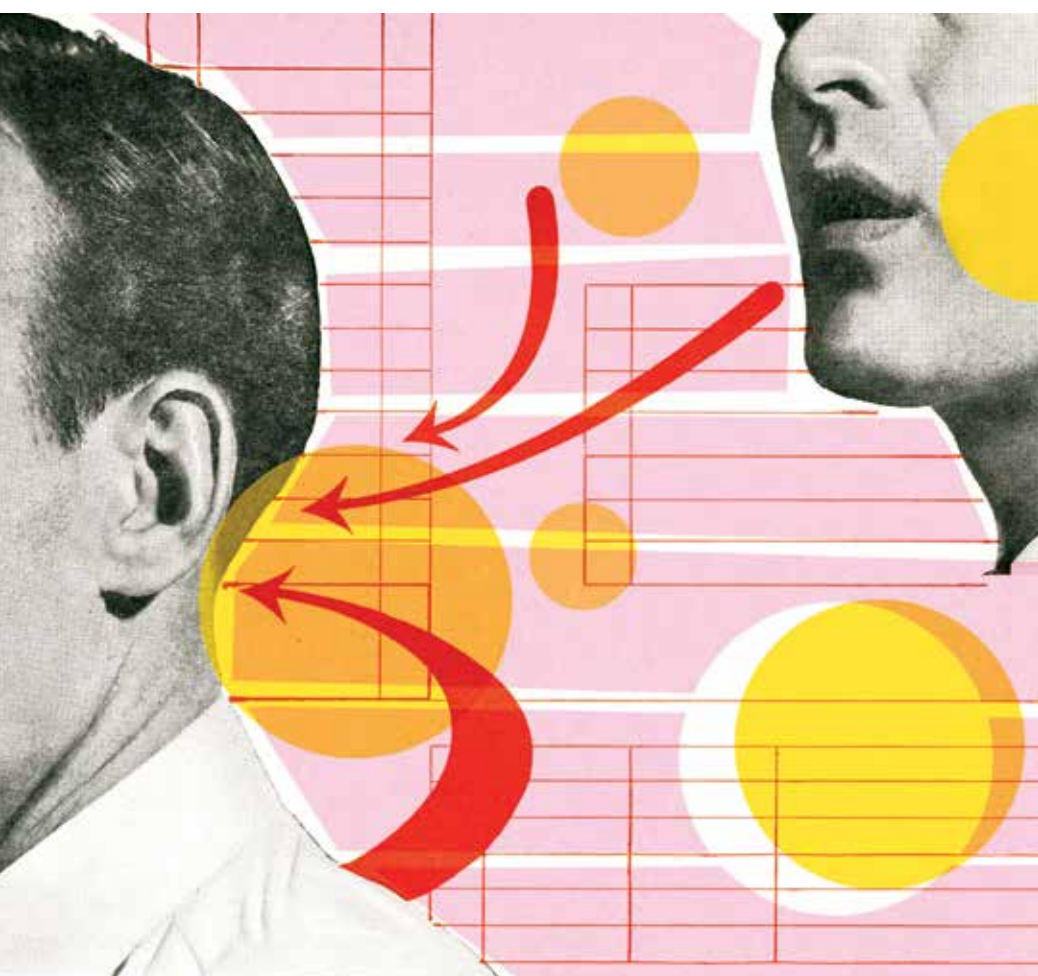
Michael Gordon, Arthur F. Thurnau Professor and professor of business administration, on the challenges faced by microfinance in poverty alleviation.

—*The Guardian (U.K.)*
Feb. 10, 2014

AN EASY WAY TO BECOME A BETTER LEADER

PROFESSOR **SUSAN ASHFORD'S** WORK SHOWS THE IMPORTANCE OF FEEDBACK IN LEADERSHIP DEVELOPMENT.

What's your favorite tip to be a better leader?
Tweet us @MichiganRoss



Business leaders have a lot of responsibilities. One that comes with the territory is continual improvement.

U-M Ross Professor Susan Ashford has studied leadership development and managerial effectiveness for years. A faculty affiliate of the Ross Leadership Initiative, her interest in feedback in organizations goes back to her PhD dissertation.

One problem she's found is that people usually think about feedback from the manager's view. But her research has uncovered a counterintuitive fact: You can make yourself a better leader by asking for feedback. It's relatively easy – and free.

The catch is that you should ask for feedback from subordinates, peers, and supervisors. It's something many are reluctant to do, but Ashford's work shatters the misgivings and shows the benefits of taking the leap. She's also found some simple steps that will maximize the effect.

"If you really want a learning organization, the leader has to be an active learner," says Ashford, the Michael & Susan Jandernoa Professor of Management and Organizations. "To do this, you have to hit your most vulnerable area and that's learning about yourself. One of the best ways to do that is to seek feedback and seek it up, down, and sideways."

Her feedback strategy is outlined in a chapter she wrote in the new book *Experience-Driven Leader Development*, which was co-edited by U-M Ross Professor D. Scott DeRue.

DON'T FEAR THE FEEDBACK

If seeking feedback makes one a better leader, why don't more do it?

"A lot of people think seeking feedback, especially from subordinates, will make them look weak or insecure," Ashford says. "But the opposite is true. People think more highly of leaders who seek feedback. They are viewed as approachable, open, and caring."

The other reason is the simple human urge to avoid hearing something negative. Most leaders put in long hours and don't want to hear that not everything is rosy or that some initiatives simply don't work.

But if you want to be a good leader you must know yourself, and your effect on those around you, Ashford says.

GETTING STARTED

Before asking for feedback, you should think about an area you want to improve.

"It's important to start the process here so you know what you're looking for," she says. "This can be something about you as a leader, or something more general about the organization or team. Being specific will give you better answers than a general, 'How am I doing?'"

The next step is to ask for feedback, ask for it directly, and make it routine.

For example, consider starting staff meetings with a feedback-seeking question. This also can be done in one-on-one meetings.

"When this becomes part of a routine, leaders get better information and the staff sees them doing it," she says. "That's good for morale and puts the leader in a better light."

You might consider a more indirect method of seeking feedback, such as asking staff and peers more general questions and listening for cues about your leadership. Even with that method, you should first think about a specific area to focus on.

CREATING A CULTURE

Leaders who seek feedback do more than help themselves. They promote a culture of open feedback and encourage others to follow suit.

"If the boss seeks feedback, it's more likely the staff will seek feedback and that creates a better organization," Ashford says. "The culture becomes one where people seek to continually improve and gain a better understanding of their strengths, weaknesses, and how others see them. That makes it more likely the whole company or organization will flourish."

All it takes is overcoming a little fear, setting a goal, and establishing a routine.

—TERRY KOSDROSKY



WATCH SUSAN ASHFORD'S VIDEO ON SEEKING FEEDBACK:
youtube.com/RossSchoolofBusiness

MORE

Q:
What are you
thinking about?
ANIMAL SPIRITS.

*Legendary economist John Maynard Keynes coined the term “animal spirits” to describe the role of sentiment in markets. Behavioral finance researchers believe human psychology can influence markets. But they’re not always easy to measure, especially in real time. **Cindy Soo**, assistant professor of finance, has found a way to gauge “animal spirits” in the housing sector. Her novel research on newspaper content analysis, which uses the housing boom and bust from 2000 to 2011 as a test case, helps policymakers moderate future boom and bust cycles in the housing market.*

A: Typically the standard benchmark in economics and finance is to assume that prices always reflect market fundamentals. In behavioral finance, however, we suspect that the sentiment of investors — overly optimistic or pessimistic — has the potential to overwhelm the market at times and drive prices away from their true fundamental values. This was particularly important during the boom of house prices in the 2000s, when real estate market fundamentals that historically explained house price changes simply could not explain the increases in prices we saw.

But the challenge in this field of research is finding ways to quantify the sentiment of investors to even explore or test this claim. As you can imagine, capturing sentiment, or the psychological feelings of investors, is very difficult to measure. This is particularly true for the housing market, where surveys on homebuyers are expensive to implement across markets and in real time.

In my recent research, I developed a new measure of housing market sentiment by capturing the tone of newspaper coverage of local housing markets. The media presents a novel opportunity to capture sentiment because it serves as a channel and voice for the sentiment of its local community. I collected more than 30,000 local newspaper articles that cover the housing market and constructed sentiment indexes for each of the 20 cities followed by the Case-Shiller Home Price Index. These sentiment measures appear to be leading indicators for local housing prices and are able to explain a significant share of the recent housing cycle, above and beyond typical housing fundamentals.

WHY IS THIS INTERESTING TO YOU?

I think the housing market is an especially important place to study questions in behavioral finance because it is such a significant part of our economy. Over two-thirds of U.S. households own a home, and the other third is often considering whether to buy a home. Outside of your pension or retirement savings, it is often the largest asset most people hold. It is also the kind of transaction that typically only occurs a few times over a lifetime, so mistakes can have potentially huge consequences.

And as we saw in the most recent financial crisis, real estate is also an asset that can have huge impacts on the financial sector. Banks and other financial institutions were intertwined with the housing market due to significant investments in mortgage-backed securities and other housing-related assets during the crisis, and continue to be invested in real estate in many ways today. Understanding an asset market that has such large effects for both average households and the larger financial economy is critical.

WHAT ARE THE PRACTICAL IMPLICATIONS FOR INDUSTRY?

My research so far suggests that investor sentiment, rather than fundamentals alone, has an important impact on housing prices. This is an important factor to consider when we are looking to project out how housing markets cycle, whether we are acting as an average household homebuyer or large institutional investor. Because real estate has such a large impact on the overall economy, these sentiment measures also have the potential to serve as real-time indicators of the housing market for policymakers. Certainly from a policy standpoint in the last housing cycle, knowing the direction of the overall sentiment of the housing market would have been very useful.

—INTERVIEWED BY TERRY KOSDROSKY

CINDY SOO

Q:
What are you
thinking about?
**TAX POLICY AND
BEHAVIOR.**

*Death and taxes are said to be the only certain things in life. You might add to that list arguments about taxes. U-M Ross Professor **Joel Slemrod** works to get past those arguments and find out what really works. Slemrod, the Paul W. McCracken Collegiate Professor of Business Economics and Public Policy, is one of the country’s leading researchers on the subject and has written several books. His work can help lawmakers craft better tax policy and provide insight into effective ways to curb tax cheating.*

A: We’re focusing on the capital gains tax and looking at Google searches, Wikipedia searches, traffic on the IRS web site, and calls to the IRS.

We’d like to know if people are researching the tax implications of buying and selling stock before or after they make the transaction. Ideally, you’d like to see a spike in searches about the capital gains tax before a spike in stock transactions. Unfortunately, we see the opposite most of the time — the stock volume precedes the capital gains tax searches. We do see some other interesting patterns. The search volume spikes during certain times of the year — the filing deadline and the end of the year, where people make decisions on capital gains and losses.

The other project is a look into the impact of an IRS enforcement policy that started in 2011. Credit card companies now send a report to the IRS on every merchant’s credit card transactions, the idea being that the IRS can compare

it to what the merchant reported. The IRS suspected a high rate of non-compliance with small businesses. It’s still early, so we don’t have conclusions yet, but the new policy might have some unintended consequences. Suppose you are a restaurant. You can offer a discount to customers who pay cash and lower the volume of trackable credit card transactions. So we’re trying to gauge the true impact of that enforcement rule.

WHY IS THIS INTERESTING TO YOU?

I’ve always been interested in taxation and behavior because it affects just about every economic decision you make. If you are going to buy a house, make a charitable contribution, buy or sell stock, or quit smoking, taxes touch all of that. It also touches on honesty. I’m fascinated by tax evasion — who is tempted to cheat and what keeps them from cheating.

WHAT ARE THE PRACTICAL IMPLICATIONS FOR INDUSTRY?

The main one is that the people who make tax policy should think about the likely consequences of what they’re doing before they do it. That’s some of the insight we’re trying to provide. When a policy is being considered, you hear a lot of arguments both for and against. But once it’s been decided, there’s not enough of looking back and finding out if it actually worked.

—INTERVIEWED BY TERRY KOSDROSKY



JOEL SLEMROD



LEVERAGED BUYOUTS: THE FULL STORY

NEW RESEARCH BY PROFESSOR KYLE HANDLEY SHOWS
THERE'S MORE TO PRIVATE EQUITY BUYOUTS THAN THE HEADLINES.

Private equity leveraged buyouts took a beating during the 2012 presidential campaign — at the expense of Republican candidate and former Bain Capital CEO Mitt Romney — but the slings were nothing new.

Leveraged buyouts, or LBOs, have often been blamed for unemployment and excessive levels of corporate debt. But U-M Ross Professor Kyle Handley suspected there was more to the story, and his new research digs deeper to get the full picture.

LBOs can be dramatic and traumatic — with painful layoffs, plant closures, and major transitions. However, Handley's new research shows that there is another side to

the LBO story, including evidence of job creation, acquisitions, and productivity gains. Handley and his co-authors put together a multitude of data in a new way to give a more nuanced view of the economic effects of LBOs. In the end, what they discovered can better inform both policymakers and those in the industry.

“Until now, it's been really difficult to estimate the true effect of these leveraged buyouts by private equity firms,” says Handley, assistant professor of business economics. “There's no question they tend to cut jobs, but they also open new operations. So unless you look at both of those things relative to a control group, you're not looking at the net effect.”

Handley was joined in researching the paper “Private Equity, Jobs, and Productivity” by Steven J. Davis of the University of Chicago's Booth School of Business, John C. Haltiwanger of the University of Maryland, Josh Lerner of Harvard Business School, and Ron S. Jarmin and Javier Miranda of the U.S. Bureau of the Census Center for Economic Studies. The paper has been accepted for publication in *The American Economic Review*.

A DEEPER DIVE

Besides anecdotal evidence, past attempts to study the phenomenon used surveys, didn't have control groups, or didn't always distinguish between companies backed by venture capital and by private equity. It also was hard to disentangle pre- and post-acquisition data.

Handley and his co-authors overcame that by using U.S. Census Bureau data that tracks employment and earnings before and after buyouts at specific locations. They also used the Annual Survey of Manufacturers and the Census of Manufacturers to measure firm performance, such as labor productivity. They use data from Capital IQ and others to track private equity deals.

They only looked at deals where private equity firms took a controlling stake in a company. Venture capital deals and management-led buyouts were excluded.

The key was creating a control group of companies so they could estimate what would have happened at LBO companies had they not been bought out. The large number of firms and location-specific

employment data the authors used allowed them to compare buyout targets matched to a set of control companies that were in the same industry, the same age, and the same size prior to the buyout. After controlling for these characteristics, they tracked the difference in concurrent changes at both groups.

“You really need to know what would have happened to the company in the absence of a buyout to get any sense of the true effect,” he says.

THE NET EFFECT

There's no doubt that private equity funds, in general, make fast changes when they take over a company and some of those changes are painful. Operations shut down and people lose jobs.

Indeed, Handley's study found more job loss — 3 percent more over two years — at individual establishments, say a factory or plant, for bought-out companies compared to the control group. At five years out, that grows to 6 percent.

But those same LBO target companies created more “greenfield” jobs — 2 percent more — in new locations than the control group. The numbers indicate private equity buyouts are a catalyst for creative destruction.

Bought-out firms also are more active in making acquisitions and sales and see more gains in productivity than the control group. Since low performing operations may be shut down at the same time that a firm expands employment elsewhere, it's important to account for the total employment change at the firm-level. Summing across each firm's entire

operation, the study says the difference in job loss between LBO firms and control group firms is less than 1 percent. The study only follows firms for two years after a buyout because numerous ownership changes over longer horizons would narrow the sample size and make comparisons more difficult, a constraint not imposed on the establishment analysis.

“Private equity firms come in with capital and do things the previous management wouldn't do, or didn't have the know-how or resources to do,” he says. “There's a lot of activity in a short amount of time and some of it cuts jobs, and some of it creates jobs. There's a lot going on and not all of it is captured anecdotally.”

The new research shows some of the arguments for and against leveraged buyouts may be simplistic, and that policymakers and practitioners should take a wider view.

“I think in some respects the leveraged buyout industry has gotten a bad rap because when they do shut-down operations — and the effects on the people laid off are stark and real — it's front-page news,” Handley says. “But everything else that leads to the aggregate effect — opening a new plant someplace else in the country or making acquisitions — isn't in the news.”

“My conclusion is that it's not causing substantial employment loss when you look at the net effect.”

— TERRY KOSDRISKY

Tweet us your thoughts on Professor Handley's research and LBOs @MichiganRoss



ROSS LEADS THE WAY IN RETHINKING UNDERGRADUATE EDUCATION

This is definitely not your father's B-school. In fact, it's not even your older sister's.

Students graduating from college today face a very different world of work from the one they might have encountered a few years earlier — more globally oriented, multidisciplinary, entrepreneurial. And constantly evolving.

A reinvention of the Ross BBA Program, starting this fall, aims to meet the needs of tomorrow's students and strengthen Ross as a leader in undergraduate business education. It involves more chances to study abroad, new opportunities for hands-on experience, and added requirements but better flexibility.



Lynn Wooten, associate dean for undergraduate programs, teaching a class of BBA students this winter.

BOOKENDING THE BBA

"If you think about undergraduate education in general, one of its roles that people often forget is that students come in as adolescents and they leave as adults. We've built that into the curriculum, to get them to think about this transition and become more focused on self-authorship — helping students think about their developmental journey," says **Lynn Wooten**, associate dean for undergraduate programs.

The BBA program has a new beginning and a new ending: It starts sophomore year with a required new introductory course, team taught by a cross-section of Ross faculty. That class sets the tone for the integrative approach to come and begins Ross' signature focus on business as a positive force in society.

The program ends in winter term of senior year with a newly required "capstone" experience — a special course, potentially with a hands-on component, or a senior thesis — tailored to bring together everything the student has learned, with an eye toward putting it all into practice after graduation.

BEYOND THE BOUNDARIES

Between those bookends, students will experience a fully re-thought program. One consistent theme: bridging separation between various business disciplines, as well as between business and a broader education.

The entire curriculum will embrace this integrative approach, which is unusual among undergrad business programs. But the integration comes to the fore in fall term of the junior year, when student cohorts take a required set of classes — management, business law, and operations — examining the same set of business cases through the lenses of their different specialties.

"Your first job may be in a functional area, but the higher you get up in your career, you're going to have to be integrative. You might be a finance person, but you're going to have to think of the marketing aspect and the operations aspect," says Wooten, a clinical associate professor of strategy and management and organizations.

The multidisciplinary approach also surfaces in expanded programs from the Ross Leadership Initiative, which will offer its challenging immersive events in each semester of the BBA program. For example, this spring saw a pilot edition of the BBA SpotLight. Similar to the MBA Crisis Challenge but reworked for undergrads, this event asked teams of students to use their assembled skills to navigate a mock corporate crisis, with a \$1,250 prize at stake.

EXPANDED OPPORTUNITIES

Even with all the new activity, Ross undergrads will still spend roughly half their credits elsewhere at the University of Michigan, and students are encouraged to pursue minors and dual majors. Wooten notes that skills like understanding issues in a historical context, or knowing the impact of the natural sciences, remain critical. U-M is perfectly positioned here, because its other programs match the strength of its business school.

The no-boundaries philosophy also works on a literal level: The new curriculum allows students expanded opportunities to study abroad, and aims to position BBA grads to get wherever they want to go — in terms of geography as well as employment.

Unlike past years — with certain classes required each semester — students may now easily study abroad during winter term of junior year. Ross is also offering undergrads more faculty-led, shorter trips to places like Ireland, India, and Peru.

LEADING THE WAY

Other aspects of the new BBA program include:

- An increase in required business credits from 45 to 58, and in business elective credits from nine to 15 (which is part of the 58)
- A "floating core" that allows certain required classes to be taken earlier, which can open up internship opportunities after the sophomore year as well as the junior year
- New and reimagined courses, like a "big data" analytic class combining business computing and stats

- The Ross dedication to action-based learning incorporated throughout the curriculum
- Re-thought professional development modules from Ross Career Services on subjects like interviewing and networking

The BBA reinvention is possible in part due to gifts from longtime program supporter **Thomas Jones, BBA '68, MBA '71**. Jones' generosity has expanded undergrads' opportunities for action-based learning, leadership development, high-quality advising, and extracurricular activities.

The new curriculum resulted from a long process involving stakeholders from throughout the program — students, alumni, and faculty. The Ross BBA has been serving its graduates well for decades, and these changes are meant to ensure that holds just as true for future students.

Already among the country's top-ranked undergrad business programs, Ross now truly leads the way, Wooten says. And its graduates likely will as well.

"In this day and age, people become so specialized. A lot of times we don't teach integration," Wooten notes. "The curriculum redesign gives them experience on multiple levels. When you're a freshman you kind of grasp it, but by senior year you are seeing the big picture."

—BOB NEEDHAM

WITHOUT BORDERS

BBA alums, what do you think of the changes? Tweet us @MichiganRoss #RossAlum



ROSS AROUND THE WORLD

—BY TERRY KOSDROSKY

While firmly planted in the Midwest, Ross has a decidedly global reach, especially when one considers the many ways that Ross alumni, students, and faculty are making a difference throughout the world. Their impact is felt globally — whether it's creating a new model of rural healthcare in Uganda, launching a hot new startup in Silicon Valley, or training the next generation of executives in India. These stories show the many ways the Ross Community is planting the Block M flag on every continent.



Delivering Healthcare in Rural Africa



The learning curve is steep when starting a new venture abroad — just ask **Paul Clyde** and his students. Clyde, lecturer of business economics and public policy, is spearheading the ambitious project of building a self-sustaining hospital from the ground up to serve rural residents in Uganda.

The project is more than a business venture — it's a laboratory for new models of healthcare delivery Clyde hopes can be replicated throughout the developing world.

It's also a prime opportunity for students to learn firsthand the challenges of working in rural, developing countries. Evening MBA student **Pascale Leroueil**, PhD '08 Chemistry, has spent most of her life in the lab. She's a vaccine research scientist at U-M Medical School who sees the value in combining business and science to improve healthcare among the world's poor.

She worked with a MAP team last semester in Jinja, Uganda, that analyzed a cost structure for the proposed hospital. The team studied whether they could charge richer patients more for discretionary things like private rooms to subsidize the cost of basic care for poorer patients.

"Business is an amazing tool that allows you to look at what you want to do, analyze your constraints, and come up with a way to do it," she says. "Nothing replaces being there in order to know your constraints. Some things surprise you. When I visited hospitals there, I saw they had computers and medical equipment, but not reliable electricity. Those are things you just don't think about in the lab or classroom."

PHOTO COURTESY OF NASA

Clyde has had a number of students, both with MAP teams and from his Healthcare Delivery in Emerging Markets class, work on the Uganda project. It's also part of the new Living Business Model Initiative, in which Ross students work on a single project long-term with students and faculty from other U-M schools such as law and medicine, as well as Ugandan clinicians.

"It's easy to get your mind stuck in the way things are done in the U.S. or even the way they've been done in developing countries," says Clyde. "But by going there and seeing what's possible, you start thinking about things in a totally new way. That's how innovation is going to happen in healthcare."

Tackling Sustainable Cosmetics in South America



MBA students are clamoring for international experiences, and Ross' signature Multidisciplinary Action Projects are an enriching way to get them.

Olga Avrutin, MBA '14, worked on a MAP team last year at Belcorp, a major cosmetics company in Lima, Peru, that prides itself on social responsibility.

"I definitely wanted an international experience," says Avrutin, whose interest in the beauty industry made the Belcorp MAP a natural fit.

MAP is no vacation, she says. You're working, interacting with local business people, and you "see things through a different set of eyes."

Last year, Belcorp hosted two projects. One team worked on the challenges of setting inventory policies when much of the selling is done through solo independent vendors; the other focused on a new segmentation methodology to drive fragrance sales.

The international scope of MAP continues to grow: This year's 89 MAP projects — including two more at Belcorp — touched two dozen different countries.

Jeffrey Sanchez-Burks, associate professor of management and organizations, has been involved with numerous international MAPs, especially in Asia and Latin America.

"The key advantage is it allows our students to have a deeper immersion into the global economy than you would get from simply a week traveling abroad, seeing some sights," he says. "They have to collaborate, negotiate, and coordinate, and sometimes resolve conflicts with people from other cultures. They get a deep experience that opens their eyes and gets them more culturally attuned to the challenges of doing business abroad or doing business with people from different cultures."

Avrutin says the challenges an overseas experience can bring can't be duplicated in the classroom: "It definitely brings the team together in a different way."

Ushering National Geographic Through the Digital Age



The man at the helm of the Washington, D.C.-based National Geographic Society is not an explorer, photographer, or wildlife expert. But **John Fahey, MBA '75**, has what National Geographic needs in the digital age — enough experience in publishing, entertainment, and cable TV battles to know you never get comfortable.

Even as he transitioned to chairman this year — he was CEO of National Geographic from 1998 to 2013 — he's looking several moves ahead. The current cable TV business model has about five to 10 more years of life, in his opinion, and the NatGeo cable channels are a big source of revenue and engagement. He's also eyeing the future of National Geographic's famed photography and articles — What will people pay for online and what should be offered for free?

"Everyone understands the business models of the past and it works for everybody," Fahey says. "But nobody has the magic formula for what comes next."

Dealing with what comes next is right in Fahey's wheelhouse. He used every bit of the business and financial acumen he learned at Ross during his tenure at Time Warner Inc. He worked at HBO in the early days when it was a small money loser, and he helped launch the Cinemax channel. He also led Time Life, the book and music division of Time Warner, before joining National Geographic to first lead its for-profit ventures.

Taking overall command of nonprofit National Geographic also put his leadership skills to the test. Some resisted his moves to print the famed magazine in more languages and to launch the NatGeo cable channels. But change was needed to keep the famed organization relevant and serving its members.

It's that sense of stewardship inherent in the National Geographic culture that drives Fahey.

allowed me to see the world, and to help make it more relevant and stronger than when I arrived. I think it is, and I have to tell you it feels great."

"National Geographic isn't just about media, it's a mission," he says. "It's a mission to take care of the planet and its people. I've been fortunate to work for this remarkable organization that's

Moving Fast in Silicon Valley



For a company less than a year old, Lob.com has enjoyed quite a ride. Founded by **Harry Zhang, BBA '11**, and **Leore Avidar, BBA '11**, it was backed by Y Combinator, the incubator that spawned Reddit and Dropbox, and received \$2.4 million in seed funding from some well-known Silicon Valley investors.

Even better, the cloud-based print solutions service is attracting new customers, hiring people, and growing revenue. Its journey shows how fast a disruptive idea can gain traction.

"That's one thing about a startup: you really feel it evolve day by day," says Zhang. "There's such a direct correlation between every move you make and results." He and Avidar say the knowledge they gained at Ross and the power of the alumni network gave them the confidence to quit their corporate jobs and become tech entrepreneurs.

The idea for San Francisco-based Lob.com was hatched when Zhang was at Microsoft and Avidar at Amazon Web Services. Zhang was frustrated because he wanted to mail notices to customers who were near renewal dates and there was no way to automate that with printers.

But both were familiar with application programming interface (API) tools and saw most of the printing industry wasn't making use of it. Lob.com uses a cloud-based API to allow businesses to easily arrange printing needs, be it big or small. Customers don't have to manually manage the process.

"Printing is a huge industry that's been largely untouched by API engineering and it's ripe for disruption," says **Dan Zhao, BBA '11**, who joined his classmates at Lob.com later. "So while printing might sound kind of boring, we're really an API company. We connect the physical world with the virtual world so that businesses can be more efficient and agile."

Things moved fast for Avidar and Zhang after the idea phase. They applied to be part of Y Combinator last year and were among those accepted from thousands of applications. Y Combinator comes with a bit of funding and plenty of mentorship and access to Silicon Valley players. The subsequent seed funding that's spurring growth was a direct result.

"This isn't something we want to work on for a couple of years and sell," says Avidar. "We want to build a lasting company that will have an impact for years."

Developing Clean Tech in a European Economy

As Finland looks to focus its future economy around green enterprise, it needs somebody who understands not only technology, but finance, strategy, environmental policy, and engineering.

So it turned to U-M Ross Professor **Peter Adriaens**. He teaches entrepreneurship at Ross, and is a professor at U-M's College of Engineering and School of Natural Resources and Environment.

He's on a two-and-a-half-year appointment as distinguished professor at the Research Institute for the Finnish Economy, the country's main economic think tank. He's heading up a team to map an action plan for transforming the country's economy around clean technology.

“This isn’t a research project, it’s a huge undertaking,” says Adriaens. “We’re using a suite of tools, KeyStone Compact, that originated from our work at the Zell Lurie Institute over the last eight years to map out the assets and capabilities across corporations, small and medium-sized enterprises, and realign them across industry meta-clusters. The objective is to identify pivot opportunities from cost-driven industry silos to value-driven business ecosystems. These clusters are then structured into thematic portfolios of public and private equities with specified return/risk profiles. That’s what investors want to see.”

For example, Finland has a lot of existing assets in communications technology, chemical industries, and pulp and paper companies. How do you get a company like Nokia to apply its communications technology to something like smart power grids? Can the paper and pulp and chemical industries combine expertise to develop green chemistries? How do big companies and small/medium enterprises partner with startups?

Adriaens will spend a full year on sabbatical working on the project, and will go back and forth to continue the work after the year is up. In addition to mapping and planning new supply chains, his work also involves the design of new portfolio investment vehicles, and a policy road map.

“This is something the country wants, but just because policymakers want it doesn’t mean companies are just going to suddenly change,” he says. “You need an inducement. That’s why we’re working with these private-sector companies, along with pension fund and private equity investors interested in clusters of innovation. We have more than 2,500 companies engaged. To date, Ireland, Switzerland and Singapore have signaled interest for us to design a similar program.”



Successful companies know that leadership development is an ongoing journey. Ross has deep ties in India, both in industry and academia. So it’s only natural that Larsen & Toubro Ltd., a \$14 billion conglomerate in India, turned to Ross Executive Education in 2012 to prepare their up-and-coming executives for the global challenges that lay ahead.

“We’ve expanded globally, but even in India our competition isn’t just from Indian companies,” says Neville Lobo, vice president of corporate human resources and director of the company’s leadership development academy. “We compete with companies like Foster Wheeler, Samsung, and Siapem in India and abroad.”

L&T hires legions of engineers and has several business units. The goal of L&T leadership training is to help the participants become entrepreneurial, global business leaders.

Ross professors, led by Faculty Director **M.P. Naryanan**, run a custom, six-day Global Leadership Development Program twice a year as part of L&T’s ongoing training. Held at the company’s leadership development academy in Lonavla, India, Lobo says the program has made an immediate impact on the leaders who graduate.

“Their awareness and knowledge increases, but more than that, their confidence to work in a global environment grows,” Lobo says. “They leave the program with a real global perspective they then bring to the businesses they lead.”

Ross Executive Education also helped L&T with a specific human resources initiative – to deepen the connection between human resources and top-level strategy. N. Dharmarajan, who heads human resources for L&T’s buildings and factories business, said the program held last fall was revealing.

“We’re growing at about 25 percent a year, so I thought our priorities would be on operational efficiencies, getting talent and creating a leadership pipeline,” says Dharmarajan. “I was pleasantly surprised to find out my business leader wanted us more involved in change management – ensuring our culture is maintained, dealing with a more diverse workforce, and knowing how to execute in a global environment. It was very revealing and now we have a way forward as partners.”

Priming the Next Generation of Global Executives in Asia



Gaining Hands-On Experience in Australia



Business is a global game, and Ross is always looking for new ways to ensure its students know the rules.

The Global Initiatives office, established two years ago, is designed to “explode the level of high-quality opportunities for students internationally,” as Managing Director **Liz Muller** puts it. And it’s working: “In the last couple of years, we have more than doubled our offerings.”

Last summer, Global Initiatives launched a new program in Australia specifically geared to undergrads, including non-Ross U-M students. The program involved two weeks of study with a faculty member in Australia followed by a six-week internship.

John McCarthy, BBA '15, a Chicago-area native finishing his junior year at Ross this spring, liked the “very unique opportunity” of the Australia program, with its longer time frame and scheduled side trips that let him get a sense of the country. He interned at JPMorgan Chase in Sydney, where the smaller scale of the firm’s Australian operation allowed him to work on a range of tasks and roles that might not have been available in New York.

Even better: The company asked him to stay five weeks extra to work on a special project, analyzing growth in the Australian fixed-income market. His research ended up becoming part of staffing recommendations presented to company executives in London.

“It was one of the greatest learning experiences I’ve ever had,” McCarthy says, reflecting on the many differences in culture and even language he encountered. “I definitely look at it and see it as a major point of growth in my life.”

Next, McCarthy plans to go to China this August on another Global Initiatives program. And that happens to be a major focus area for Global Initiatives, with the Australia model expanding to Hong Kong this summer for a couple dozen students, and a new short course for MBA students in China launching in May. The office is considering where to expand next, and it will develop the upcoming full-semester-abroad opportunities that are part of the new Ross BBA curriculum (see page 16). The explosion of activity is just beginning.

Going Blue in Antarctica



All work and no play will make anyone dull. For the seventh continent, we see **Maggie Chang, BBA '14**, enjoying a cruise just off the Danco Coast in Antarctica in January. Chang took the trip with her family without knowing at the time that she wasn’t the only Ross student on board. About halfway through the 21-day excursion Chang, an avid Michigan fan, was seen wearing Wolverine garb by **Felice Schmeitzler, BBA '14**.

Few business schools can claim a more globally engaged alumni network — Ross alumni are 45,000 strong and live and work in nearly 90 different countries.

So where in the world are you?
Tweet us @MichiganRoss or share your story with us at facebook.com/MichiganRoss. Tag your posts with #RossAlum and we’ll count up the countries and continents.

20

RUTH BLATT

Ruth Blatt, PhD '08, has always loved rock music. But it wasn't until a viewing of the 2004 Metallica documentary *Some Kind of Monster* that she started to equate it with what she knew about organizational behavior.

"It struck me that they were a self-managed creative team and a small business," Blatt said. "And they were excellent at it!"

Ever since, she's been exploring what the successes and failures in the lives of musicians can teach us about creativity and teamwork. In blogs and articles for *Psychology Today*, *The Atlantic*, *Wired*, and *Forbes*, Blatt's "The Rock Band Project" chronicles the lessons she learns by pairing her finely tuned ears with analytical eyes.

Blatt spends a lot of time asking questions of rock stars, so it's only fitting that she join the ranks of rock star Ross alums who've been asked our 20 questions.

Learn more about Ruth's interesting take on the intersection of rock and business at therockbandproject.com.

—CHRISTOPHER ANKNEY

—PHOTO BY PAUL NATKIN

1. **What's most-played on your iPod?**
"Doolittle" by Pixies.
2. **What's a book you've read recently?**
The Mansion on the Hill: Dylan, Young, Geffen, Springsteen, and the Head-on Collision of Rock and Commerce by Fred Goodman.
3. **What is your guilty pleasure?**
Gangsta rap.
4. **First album you ever bought?**
Thriller by Michael Jackson.
5. **What advice would you give yourself 10 years ago?**
Stop eating meat.
6. **Favorite person to follow on Twitter?**
@TheOnion because comedy is a great reflection of our culture. (You can follow Blatt at @RuthBlatt.)
7. **Best business decision?**
Getting a top-notch education that taught me how to think critically and introduced me to an amazing community of people.
8. **Favorite line from a movie?**
"Well, which is it, young feller? You want I should freeze or get down on the ground? Mean to say, if'n I freeze, I can't rightly drop. And if'n I drop, I'm a-gonna be in motion." From *Raising Arizona*.
9. **If you had a theme song, what would it be?**
"I'll Be Your Mirror" by the Velvet Underground.
10. **Describe your first job.**
My first job was detasseling corn on Illinois farms. I was 13 years old. We'd get picked up by a bus before dawn and detassel corn all day, which entails standing on a slowly moving truck and picking off the pollen-producing flowers from the tops of corn plants.
11. **What's the most adventurous thing you've ever done?**
Rock climbing.
12. **What are you afraid of?**
Unexamined life.
13. **First website you access in the morning?**
Nytimes.com.
14. **Most-cherished Ross experience?**
Being pushed by my professors to do better and through that discovering what I am capable of.
15. **Pet peeve?**
Bad service.
16. **Unfulfilled wish?**
To have a great singing voice.
17. **Three people, living or dead, that you'd have over for dinner?**
Laurie Anderson, Truman Capote, Ice T.
18. **One thing you learned in business school that you'll never forget is...?**
Ask people what you can do for them.
19. **Must-have app on your phone?**
Flashlight.
20. **Where is the strongest connection between rock music and business?**
Success in both requires working well with other people because you can do more with them than you can do alone.





PETER FARICY

DELIVERING ON HIGH EXPECTATIONS AT AMAZON

AMAZON IS A COMPANY IN DEMAND—
by consumers, the media, and job seekers. Long known as a place of growth and innovation, the company also makes news for its high standards in hiring.

So it's no surprise that a Ross alum, **Peter Faricy, MBA '95**, plays a key role at Amazon, as vice president of Amazon Marketplace. And it also follows that those high standards drive the high number of placements of other Ross grads: Amazon's hiring of Ross students is increasing, with nearly 50 getting either full-time jobs or internships at Amazon last year alone.

Before arriving at Amazon, Faricy worked at Borders Group, Ford Motor Co., and McKinsey & Co. He joined Amazon in 2006, initially as vice president of music and movies.

Amazon Marketplace sellers shipped items to customers in more than 185 countries in the 2013 holiday season.

"I couldn't help but notice the company's focus on customers and innovation," he says of what drew him there. Amazon was already aggressively seeking out new opportunities and

making things easier for its users. "All of that led to a company that was growing very, very fast."

THE AMAZON EXPERIENCE

Amazon appealed to him because he could apply the problem-solving and analytic skills he learned at Ross and honed earlier in his career. "The problems you get to solve are very fun problems," he says, reflecting on the company's blistering growth. (Last year's revenue was 22 percent higher than 2012's — and that's pretty typical for Amazon.)

Amazon Marketplace sellers can reach more than 100 million households in the U.S. and 230 million worldwide.

But Amazon's not just big business. It's also small business — lots of them. Forty percent of the items sold on Amazon last year — more than a billion units — weren't actually sold by

Amazon. They were sold in Amazon Marketplace, an online collection of third-party sellers hosted by the company.

In 2009 Faricy became vice president for Marketplace, where he oversees the operations of 2 million sellers of various sizes. Marketplace has grown from a great place to find that out-of-print book or CD to a source for everything from pet supplies to jewelry. Recent additions include sports memorabilia, wine, and even artworks. Geographically, Marketplace recently expanded into China, India, Italy, and Spain.

"It's really an unprecedented business opportunity," Faricy says. And it all makes sense in the overall company culture: "Our obsession is, how do we innovate on behalf of customers?" — with the much-discussed drone delivery concept just one high-profile example.

LESSONS FROM ROSS

Faricy speaks enthusiastically of his Ross education and the preparation it afforded. "I feel blessed to have received my MBA degree from Ross," he says. "Ross was really a pioneer in action-based learning."

He vividly recalls the lessons of his MAP project, led by faculty sponsor **Jane Dutton**. The team worked with Target to study retention of hourly associates. Going in, they expected pay would be the top concern. "Much to our surprise," he says, "the most important factor was how well you onboard new employees."

Faricy's dedication to the Ross philosophy led him to accept an invitation to join the Ross School Advisory Board, where he hopes to help keep the school on its successful course. He encourages fellow alums to engage with the school as much as possible, promising a rewarding experience.

On Cyber Monday 2013, more than 13 million units were ordered worldwide from Amazon Marketplace sellers, a 50 percent increase over 2012.

When visiting Ann Arbor as an alum, Faricy always tries to connect with **Tom Kinnear**. "I learned a great deal from Professor Kinnear. Not just about marketing strategy, but about business leadership more

broadly," he says — particularly the value of high standards for performance. "We learned more than we thought."

Those high standards come into play in hiring at Amazon, where many Ross grads make an impact. Hires from Ross have all the expected traits of a top-tier MBA, Faricy says — smarts, analytic ability, problem-solving skills. But, he adds, what sets Ross apart are the "softer" skills like work ethic, humility, listening, and putting theory into practice: "We really find that Ross graduates are some of the best holistic business leaders."

—BOB NEEDHAM

—PHOTO BY STUART ISSET



LISA HOWZE: HELPING MAKE HISTORY IN DETROIT

As chief of staff for Detroit Mayor Mike Duggan, **Lisa Howze, BBA '95**, is boldly moving the Motor City toward a brighter future.

While the city faces massive challenges, including being the largest American city ever to declare bankruptcy, Howze stays focused on the future. Driven by the desire to be an example of what is possible, she lives life with a passion to help people — and her hometown — reach their greatest potential.

Though Howze has always been inspired by the commitment, perseverance, and resilience of her native Detroit and its residents, she didn't set out to become a public servant. After earning her BBA at Ross, followed by a master's in finance from Walsh College, she started her career in public accounting. But as time went on, her priorities changed.

"I asked myself, 'What is my purpose? What am I doing to help others?' It was less about what's good for me, and instead what's good for a greater cause," she says. From there, her career evolved into public speaking, and then public service.

In her role at the mayor's office, Howze works with Duggan to further his message of hope, equality, and opportunity, as well as his mission to improve Detroit residents' quality of life. Some of her many responsibilities include speaking on the mayor's behalf, overseeing day-to-day operations,

engaging with department heads to get them what they need, and helping to resolve issues so that all hands are on deck to turn Detroit around.

A former Michigan state representative, Howze also draws on her experiences in Lansing as she takes on new government affairs duties. She meets weekly with state legislators, as well as caucuses with members of the Obama administration working on federal initiatives to help Detroit, like securing funds to purchase 50 new city buses.

As a BBA student, her classes laid a foundation that inform her work as a public servant. "I was able to use that background in the work that I did in the community around financial literacy and financial education," she says. "Often times, I'm able to share my story with young people so that they can prepare for college and a life beyond college, whether it's in starting your career, helping to understand the importance of saving and investments, or preparing for a financially sound future."

And, of course, there are plenty of opportunities for growth and entrepreneurship in Detroit. "If you want to own a home or open a business, this is where you get in at a very low price compared to other major metropolitan cities. You can actually acquire land or a home and start your own business at a low cost." One of her favorite examples of this revitalization is the Avenue of Fashion, a historic neighborhood in northwest Detroit dotted with retail shops, dining establishments, entertainment venues, and salons.

The catalyst for this kind of development is the same thing that inspires Howze to be a public servant: the spirit of the city. "Detройers have a certain kind of drive that resonates with my personality. There's a desire to show the world that you can succeed and be the pinnacle of success," Howze explains. And while Detroit's hardships have made international headlines, she points out the big story that rarely makes the news: "Hardworking people are going to work every day to take care of their families. Students are achieving at a level of excellence, collectively earning millions of dollars in scholarships."

When Howze is older, what will stick with her most about this historical time in her life and career? "I think I'll thank God for the courage to proceed unabashedly, to go after what I knew in my heart was the right thing to do, and to recognize that the motivation for doing it was to positively impact the lives of other people."

—CHRISTA CHERRIE

—PHOTOS BY DAVID LEWINSKI

Let Lisa know that Ross supports her efforts to help revitalize the Motor City: Tweet her @LisaHowze and use the hashtag #RossAlum



ALUMNI *activities*

SHANGHAI CHINA



Ethan Xiang, MBA '14 (far right), and Jeff Ho, MBA '14 (far left), join Leon Qiang and Jinhui Shi, new admits to the Ross MBA program, for an event hosted by the Ross Alumni Club in Shanghai.

SHANGHAI CHINA



Jeffrey Gao, MBA '11, Mingliang Wan, MBA '14, Lei Wang, MBA '15, Carrington Renfield-Miller, MBA '11, Jane Chen, MBA '10, Kevin Chen, MBA '12, Melody Zhang, MBA '08, Ting Yu, MBA '14 Exchange, Jessica Chen, MBA '14, Carla Freitas Renfield-Miller, MBA '11, Yuji Kagayama, MBA '08, Jerry Liu, MBA '02, Kun Rong, MBA '14, Eric Gong, MBA '14, Stanley Lai, MBA '14, and Qiang Quan, MBA '02, at a coffee chat hosted by the Ross Alumni Club in Shanghai.

BLACK BUSINESS ALUMNI ASSOCIATION



Gregory Woodall, MBA '15, Carlton Gordon, MBA '14, Ryan Butler, MBA '14, Chiedozie Okafor, MBA '15/MA Education '16, and William Nash, MBA '12, at a Ross Black Business Alumni Association event in September 2013.

SANTIAGO CHILE



Ross Alums Ivan Gezan, MBA '06, Marisol Ferrandiz, MSCM '10, Ricardo Angles, MBA '95, Juan Carlos Altmann, MBA '02, Patricio Munoz, MBA '11, Juraj Vlahovic, MBA '09, Danilo Rodrigues, MBA '10, Andres Bogolasky, MBA '11, and Thiago Marchi, MBA '10, celebrate the end of 2013 in Santiago, Chile.

BEIJING CHINA



The Ross Beijing Alumni Club gathers in NOLA Restaurant after a charity event to raise money for China Blue Charity Fund, an organization founded by Ross students to help children in China have access to education.

LONDON



Dean Alison Davis-Blake talks to the Ross Alumni Club of London during an event at London's Stern Pissarro Gallery in January.

NEW YORK



Ross New York alumni get together for a tennis match.

SAN FRANCISCO BAY AREA



Scott DeRue, Ross professor of management and operations and director of the Ross Leadership Initiative, talks to the Ross Alumni Club of the San Francisco Bay Area about "Leadership Without Limits."

BEIJING CHINA



The Zhong Gallery in Beijing, founded by Bo Chen, MBA '07, hosted the charity auction for the China Blue Charity Fund.

SHANGHAI CHINA



Eun Ja Yu, director of international alumni engagement and communications, welcomes alums and prospective Ross MBA students to the MBA applicant group exercise, hosted by the Ross Alumni Club of Shanghai.

SHANGHAI CHINA



Yang Yang, MBA '04 (far right), sits with prospective Ross students at an MBA applicant group exercise hosted by the Ross Alumni Club of Shanghai.

SAN FRANCISCO BAY AREA



Dean Alison Davis-Blake speaks at a luncheon hosted by the Ross Alumni Club of the San Francisco Bay Area.

SEATTLE



Alan Chang, MBA '15, Yevgeniy Rikhterman, MBA '15, Jessy Cheng, MBA '15, Maria Golovina, and Brandt Urban, MBA '06.

SEATTLE



Julie Ellenberger, MBA '15, and Hannah Roshetko, MBA '15.

SHANGHAI CHINA



Carla Freitas Renfield-Miller, MBA '11, helps facilitate an MBA applicant group exercise hosted by the Ross Alumni Club of Shanghai.

SHANGHAI CHINA



A view of Shanghai from the MBA applicant group exercise hosted by the Ross Alumni Club of Shanghai.

SHANGHAI CHINA



Eun Ja Yu, director of international alumni engagement and communications, joins Carla Freitas Renfield-Miller, MBA '11, in a toast at an event hosted by the Ross Alumni Club of Shanghai.

TAIWAN



Tony Tseng, MBA '97, Andy Chang, MBA '95, Herman Chein, MBA '02, Sheng Lee, MBA '14, Sofya Change, MBA '14, and Kowei Lin, MBA '14, at the annual gathering of the Ross Alumni Club of Taiwan.

TAIWAN



William Liang, MBA '13, Yu Dong, MBA '13, Sofya Chang, MBA '14, Edward Huang, MBA '13, Ted Wu, MBA '14, Kalea Liu, MBA '14, Richard Kao, MBA '14, and Kowei Lin, MBA '14, gather after hosting a Ross information session in Taiwan.

SOUTHEAST MICHIGAN



Bob Feller, MBA '96, and CFO of Palace Sports and Entertainment, talks to the Ross Alumni Club of Southeast Michigan about the business of sports during a fall 2013 event with the Detroit Pistons.

ClassNotes

Jack Caminker, BBA '46, received a Platinum Leadership Award from SCORE Chapter 18, a nonprofit group dedicated to entrepreneur education. He spent his entire career in commercial real estate and has been active in SCORE since 1989.



Mel Bost, MBA '78, published *Lessons Learned: Taking Project Management to a New*

Level in a Continuous Process Improvement Framework, a new book published by K&M Publishers Inc. that discusses identifying, capturing, documenting, and sharing project lessons learned, and feeding them back to improve project and business processes. Bost is a principal in BOT International's PMO Practice, specializing in PMO best practices, project lessons learned, and program management. He is married to **MBA '73 Linda Stevens Bost**.



Daniel J. Hennessy, MBA '81, took his blank check company Hennessy Capital Acquisition Corp. public via IPO on NASDAQ (ticker: HCAC) in January and raised

\$115 million in the offering. The company's acquisition strategy is to identify, acquire, and build a diversified industrial manufacturing or distribution business. Daniel is also a Founding Partner of Code, Hennessy & Simmons, a Chicago-based private equity investment firm established in 1988.



John Trierweiler, MBA '85, was featured in *Forefront Magazine* in November, profiling his leadership in strategic marketing and management across multiple

industries. John returned to the University of Michigan's Ross School of Business as CMO in September of 2012. Prior to joining Ross, John was EVP of product management for Cablevision, following marketing and product management leadership positions with Time Warner Cable. Preceding telecommunications, John was in CPG, first as product manager for H.J. Heinz, and then as managing director of marketing for Bumble Bee Seafoods.



Henry Gorecki, MBA '86, recently launched his own firm, HG Wealth Management, after working for over 25 years at various investment banks in New York and Chicago. Based

in Chicago, HG Wealth Management concentrates on fee-only financial planning and investment management and educational workshops for individuals, families, and small businesses. In contrast to similar wealth management services, Henry's business model does not accept commissions.

Daniel Frey, BBA '90, recently launched D.L. Frey, LLC, a professional organization based in Greeley, CO, that provides information systems audit, compliance, and security consulting services. He has over 15 years of experience in the IT audit and service industry, previously holding management roles in global organizations such as Fiserv and Oracle.

Douglas A. Shackelford, PhD '90, was named dean of the University of North Carolina at Chapel Hill Kenan-Flagler Business School in January, beginning his role the following month. A UNC faculty member since 1990, he had served as associate dean of MBA@UNC since 2010, as well as senior associate dean for academic affairs from 2003-2007, and associate dean of the Master of Accounting Program from 1998-2002. Douglas succeeds James W. Dean Jr., now UNC Executive Vice Chancellor and Provost, who calls him "a seasoned academic leader and an internationally recognized scholar and business educator" who is "a passionately engaged member of the UNC Kenan-Flagler community."



A group of Ross class of 1987 MBAs recently gathered in Boston. They had last met up in Cape Cod in 1997 to celebrate their 10th reunion year. The recent meetup included 25 people, with spouses, partners and children.

Pictured: (L-R) **Harry Hedison, David Hooker, Rich Liekweg, Jeff Marcus, Ryan Walter, and Cliff Zinner.**



David E. Wells, MBA '91, led a team of 19 attorneys from across the country with global law firm Greenberg Traurig in the sale of Metropolitan Health Networks to Humana. In

November 2013, this deal won the firm the USA M&A Deal of the Year-Large Markets award from the Global M&A Network's annual Americas M&A Atlas Awards. This honor recognizes the best value-generating deals, star dealmaker teams, and outstanding firms from North and South American mergers and acquisitions communities.



Michael Wukitsch, MBA '94, was appointed Executive Vice President of Human Resources for Chicago-area health system Cadence Health in January. He will lead the

system's HR operations in support of Cadence's more than 7400 employees. Prior to Cadence Health, Michael served as vice president of human resources at Children's Hospital Colorado, a top-10 nationally ranked pediatric healthcare system, as well as director of human resources-operations for Coors Brewing Company.



Wayne Hsu, MBA '96, has been promoted to managing director at Citibank as head of financial institutions at corporate & investment banking in Taiwan. Over nearly

15 years with Citibank, Wayne has held a number of roles, joining the company in 1996 as a management associate, then moving to financial institutions relationship manager in 2000 and fixed-income salesperson in 2004. From 2007 to 2010, Wayne served as executive vice president and head of the financial products division at SinoPac Securities, then rejoined Citibank in 2010.

Seth Katzenstein, BBA '96, joined Intermediary Capital Group last June as managing director in the global investment firm and asset manager's North American debt business and serves as portfolio manager for syndicated loan products. He comes to ICG from Black Diamond Capital Management LLC, where he was a managing director and portfolio manager.



Carlos Martin Antonio Reynoso, MBA '11, launched the Jumpstart 21 project to help communities in the Philippines recover from the destruction of Typhoon Haiyan. With the support of his GMBA class and the GMBA staff at Ross, he donated and deployed 40-watt solar power kits to 21 communities around the country, helping to restore power for vital communications and lighting to the people and areas impacted by the super storm.

Martin, second from right, poses with 21 Jumpstart volunteers in Tacloban.

John Siverling, MBA '00, secured the first patent this February for Sentiens LLC, the research and development company he co-founded in North Carolina in 2011. The patent is related to the technology behind BotanicBoost, a formula of herbs and spices that mimics nicotine used in Sentiens' non-nicotine cigarette alternative products Novus Twigs and eTwigs.

Kelly Tousi, MBA '00, was named in October one of Consulting magazine's Top Women Leaders in Consulting. One of 12 winners selected from more than 400 nominations, the honor is awarded for making a distinguished commitment to client service. Kelly is a principal for global consulting firm ZS Associates, where she has helped companies in the medical device, diagnostics and healthcare supply chain industries transform their sales organizations and enhance their sales and marketing strategy and execution.

Brian Resutek, BBA '02, was featured in *The Wall Street Journal* this October, in which he examined the parity of championships in professional sports. In addition to his contributions to WSJ's sports section, he is an account executive in the commercial finance group at BB&T bank in Atlanta, GA.



Winston Wenyan Ma, MBA '03, was selected as a member of Asia 21's Young Leaders class of 2013-2014, a prestigious group of the region's emerging leaders under 40 in fields

including government, business, policy, education, and the arts. He is a managing director of China Investment Corp., the sovereign wealth fund of China, based at the CIC North America office in Toronto, as well as a standing director for the Canada China Chamber of Commerce and a Young Global Leader at the World Economic Firm.

Justin DeLay, BBA '05/MSI '12, and **Mike Yagley, BSEE '05/Dearborn MSEE '07**, raised \$3.2 million of Series A capital from Midwest venture capital firms for their time series database service, TempoDB. These funds will enable TempoDB to hire additional software engineers to further scale storage, analysis, and monitoring capability, as well as technical sales staff to continue building the company and increase global reach.

Angelo Adams, MBA '08, delivered the keynote address in a ceremony this summer recognizing the Scotland School for Veterans' Children. Held July 10, 2013, in Scotland, Pennsylvania, the event dedicated an official state historical marker to the Scotland School, from which Angelo graduated as valedictorian in 1996. He went on to earn a BS from West Point, and, after serving in Operation Iraqi Freedom, attended Ross. He is currently general manager of the Allentown/Harrisburg branch of OTIS Elevator.

Nicholas McLean, MBA '08, has created a new line of products for his Missouri-based technology company, Genneo. The G4000 and G3000 mobile generators create power for charging mobile phones and other USB-charged devices by being carried or shaken. They can also be pre-charged using the same wall unit that comes with your mobile device, but with the added advantage of keeping topped-off as they are carried.



Sid Karri, MBA '09, recently moved to South Africa and proudly displayed the University of Michigan's iconic Block M at Madikwe Game Reserve in Zeerust, South Africa.

Pictured: (L-R) Shana Brockman, Kai Winselmann, **Siddhartha R. Karri, MBA '09**, Maike Grund, Brendan Mullen.

Nathan Conway, MBA '10, was awarded the Young Alumni Achievement Award from Minot State University last September. The award is based on outstanding service to the North Dakota-based university or alumni association, a distinguished career, or community leadership. Nathan is CEO of Fortis Energy Services, a Michigan-based oil well services company with operations in six states including North Dakota, and previously served as chief operating officer of Ward Williston Oil Co.

Jessica Goldburt, MBA '11, was announced in September one of Finance & Commerce's Top Women in Finance honorees. This award recognizes women who make outstanding contributions to their professions and communities. Jessica is a finance manager in global business solutions for General Mills. In her previous role as senior financial analyst, she created a new process for managing in-store display budgeting and helped General Mills avoid a \$13 million loss.



Ross alumni gathered in the fall to celebrate the marriage of **Rytas Vygantas, MBA '12**, and **Laura Vygantas, MBA '12**. The couple marked their nuptials September 28, 2013, at the Michigan Union. Rytas is employed with healthcare focused private equity firm Hughes & Co., and Laura is a speech-language pathologist. The two reside in Chicago.

Pictured: (L-R) **Peter Henrich, MBA '12**, **Suraj Rajdev, MBA '12**, **Monica Mehta, BS '06**, **Regina Schiel, Adam Brown, MBA '12**, **Jimmy Lin, MBA '12**, **Mike Marino, MBA '12**, **Rytas Vygantas, MBA '12**, **Laura Vygantas, David Bierman, MBA '12**, **Kristen Schultz, MBA '13/ MPP '13**, **Elaine Chang, MBA '12**, **Jennifer Jaramillo, MBA '12**, **Kevin Schreck, MBA '12**, **Andrew Schiel, MBA '12**.

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issue of
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YOUR
NOTES:**



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OBITUARIES



LaRue T. Hosmer, Ross professor emeritus of corporate strategy, passed away Feb. 23 at the age of 86. Hosmer served in the Marine Corps during World War II and went on to earn bachelor's, master's, and doctoral degrees from Harvard. A beloved member of the Ross community and a visionary educator, LaRue pioneered entrepreneurial education at Ross. *The Entrepreneurial Function: Texts and Cases on Smaller Firms*, which LaRue co-authored in 1977, was a seminal work in the field. He also created the Hosmer Faculty Luncheons (now known as the Hosmer-Hall Interdisciplinary Research Luncheons) to bring together Ross faculty in showcasing research and promoting new

collaborations. Though LaRue retired from Ross in 1996, he continued to teach and write, with his most recent book, *Avoiding Corporate Breakdowns: The Nature and Extent of Managerial Responsibility*, published last year.

Barbara M. Erb — who with her husband, **Frederick A. Erb, BBA '47**, founded the Erb Institute for Global Sustainable Enterprise — died Nov. 8, 2013, at the age of 89. A social and environmental activist, Barbara met Fred while both attended U-M. They founded the institute, a partnership between Ross and U-M's School of Natural Resources and Environment, with a \$5 million gift in 1996. The couple continued to support the institute with cumulative gifts totaling \$20 million. Barbara's interest in the environment began long before sustainability became a buzzword and she had a special passion for Great Lakes preservation. She is survived by her son Rick Erb of Steamboat Springs, Colo., daughters Wendy Elaine Erb of New York City & Vail, Colo., and Leslie Erb Liedtke of Denver, and son, John Erb (Debbie) of Bloomfield Hills, Mich., four grandchildren Mimi, Lark and J. Hugh Liedtke of Denver, Colo. and Elizabeth Erb of Bloomfield Hills, Mich.

Arthur (Bart) P. Bartholomew, Jr., MBA '40, passed away Feb. 17 at the age of 95, surrounded by his loving family. He spent his career with Ernst & Ernst, now Ernst & Young, where in 1979 he retired as partner in charge of the Eastern District. In his spare time, Arthur was active in a variety of clubs and civic organizations, especially the Boy Scouts of America, from which he received the prestigious Silver Beaver and Silver Antelope awards. He is predeceased by his wife, Mary Elizabeth (Betty) Meyer, and survived by their four children and their families, including 10 grandchildren and great grandchildren.



Albert Benjamin Chennault Jr., BBA '54/ MBA '55, died Dec. 20, 2013, at the age of 81 in West Bloomfield, MI. He is survived by wife, Verne Rutherford, with whom he raised four children, and their families, including six grandchildren. Albert was retired from various managerial positions with Michigan Bell Telephone Co. and AT&T. He was a proud member of the Alpha Phi Alpha fraternity and Covenant Baptist Church.

Beth Pomerantz, MBA '81, died on Aug. 19, 2013, at the age of 62, following an eight-year battle with cancer. She worked as a consultant at the University of Michigan's Institute of Gerontology, a computer information systems specialist in Detroit and Atlanta, a paralegal at Pennsylvania Utility Law Project, and a copy editor at various publications. In her spare time, Beth had a strong involvement in the Jewish community and was an avid reader who loved completing the New York Times crossword puzzle. She is survived by her husband, David, and their two children, Philip and Sally.



Ken Gurney, MBA '05, passed away on Nov. 3, 2013, at the age of 38. He was a practice director in high-tech and manufacturing for North America at Wipro. Outside of work, he enjoyed serving as a member of the Dexter Rotary Club and volunteering for the Dexter Farmer's Market and Hudson Mills Metropark. Ken is survived by his wife, Tracy Neinas-Gurney, children Ebba and Soren, parents Les and Dana, and brother Allen (Beth Levy) Gurney.

PHILIPPINES

FIRST PERSON

Ryan Whisnant, MBA/ErB '10



As a native of the Midwest, my decision to attend Michigan was driven in part by a desire to move closer to home. Little did I know that meeting my wife, **Aileen Payumo, MBA '10**, at Ross would dramatically change and expand what I define as home. And neither of us could have predicted the events that would unfold upon returning to her native Philippines.

After school, we moved to New York City, and were married in Bohol, Philippines, in 2012. We decided that we wanted to experience the tremendous growth occurring in Asia, and all the opportunities and challenges that come with it, so in late 2013 we moved to Manila. Building on my studies at the Erb Institute, I maintain a consulting practice focused on sustainable development, and Aileen manages several digital strategy projects and is helping to build an ecotourism business.

Two months after arriving, a powerful 7.2-magnitude earthquake struck Bohol, severely damaging several centuries-old churches — including the one where we were married. Not one month later, Typhoon Haiyan (known in the Philippines as Yolanda), rolled across the country as the strongest storm ever recorded to make landfall. Sources estimate that the storm affected more than 14 million people and cost the Philippine economy a potential \$13 billion. In a country where 45 percent of the population earns less than \$2 a day, a calamity like this hits especially hard.

Aileen and I had the opportunity to join the staff of the Presidential Advisor for Environmental Protection to visit the most heavily damaged area in and around Tacloban, Leyte, three weeks after the storm to help deliver relief goods and assess recovery efforts. Approaching the area from the air by military plane, it was

hard to comprehend the damage — as if something had practically steamrolled the landscape. Some say 80 percent of the coconut trees were lost. Most were knocked down; many were snapped in half like matchsticks. Driving through towns, families were waiting along the sides of the road, holding signs reading "Food" and "Help." After nightfall, it became strangely dark, since there was no power. We could only see along the road in the path of our headlights, but we could immediately tell when we entered the area hit by the storm surge, with piles of debris lining the roads.

Daylight the following morning revealed the full extent of the damage, particularly as we drove into Tacloban. Many structures were still standing, but few had intact roofs, and debris was absolutely everywhere. People were moving about, building makeshift shelters, mending rooftops, salvaging

what they could. Cars and boats lodged in the second story of houses, and even an upended semi-truck resting nose-down on the side of the road, hinted at the power of the water that had surged from the ocean.

In an effort to help in some small way, Aileen and I converted a crowdfunding site that she had set up to gather donations for the churches damaged by the earthquake in Bohol, and asked friends and family to also help typhoon victims. We were blown away by the response — the site raised over \$18,000 to help victims of the earthquake and Haiyan. The money went to buy immediate relief packs with food, water, and sanitation items, addressed longer term needs through purchase of building materials, and even helped a few affected families to relocate.

While we were able to raise some funds, the real work we saw firsthand was done by the local community and members of Santuario de San Antonio Parish Church in Makati City. Volunteers collected relief goods, packaged them, and sent them by arranging truck, boat, and plane freight through trusted channels to ensure the goods made it

into the hands of those in need. The mobilization of volunteer effort by the church was amazing, with dozens more showing up every night.

We returned to Tacloban in January to assess progress. The good news was that certain things were improving: There was electrification along some of the main roadways; a lot of the vegetation was returning; and there was activity in the markets along the main thoroughfares in the larger municipalities. It was heartening to see the resilience in people — salvaging coconut lumber from the downed trees for rebuilding, planting rice again, smiling and laughing with each other. They are grateful for the help from the international community. We saw multiple signs painted on the road and banners saying "Thank You" to the world.

But this should not belie the tremendous challenges that lay ahead for the region. Basic goods are expensive and difficult to come by. A tremendous amount of infrastructure needs to be replaced. The loss of coconut and fishing grounds has disrupted livelihoods, and many men are leaving the region in search of work. How can communities in the Philippines,

and elsewhere in the world, think about climate resilience — infrastructure, livelihoods, environmental integrity, community relationships — in the face of future storms?

Aileen and I were overwhelmed by the generosity of donors, and the resolve of the volunteers we saw at the church and other relief centers — moving swiftly and with purpose, as if it were their own families they were helping. In the wake of such a terrible tragedy, perhaps one silver lining is being reminded that there are so many good people in the world.

HOW TO HELP

There is a long and difficult road to recovery ahead. The story of Typhoon Haiyan has faded from the headlines, but support is still very much needed. If you would like to help the people of the Philippines affected by the typhoon, we suggest supporting the efforts of Gawad Kalinga, a well-respected community development organization. Donations can be made by visiting their website:

gk1world.com/typhoon-yolanda





University of Michigan Ross School of Business
701 Tappan St.
Ann Arbor, MI 48109-1234

***SAVE THE
DATE!***

REUNION

RAISE THE ROOF. BREAK NEW GROUND. HAIL THE VICTORS!

OCT 31 – NOV 1