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FALL 2016

BIG IDEAS, POWERFUL EXPERIENCES.

New Dean Scott DeRue talks about a vision for Ross and a lifetime relationship with alumni

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YEARS

MAP CELEBRATES
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WARDE MANUEL ON
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TABLE OF CONTENTS

FEATURED STORIES

- 28 COVER STORY:
BIG IDEAS, POWERFUL EXPERIENCES,
AND THE ROSS ADVANTAGE**
Scott DeRue, the ninth dean of Michigan Ross, shares some thoughts on business, education, and a new era of alumni relations.
- 20 MAP AT 25:
HOW ROSS STUDENTS HAVE
BEEN CHANGING THE WORLD**
The school changed business education worldwide with its signature Multidisciplinary Action Projects (MAP) program, which remains the gold standard for action-based learning.
- 16 A VISION REALIZED**
Construction project completes the concept of a unified Michigan Ross campus.
- 36 20 QUESTIONS**
Getting to know Lisa Mazzoni, MBA '04, who cofounded a California winery on the rise.
- 38 FROM THE LOCKER ROOM
TO THE BOARDROOM**
New University of Michigan Athletic Director Warde Manuel, MBA '05, combines the locker room and the boardroom.
- 40 APPRECIATING POSSIBILITIES**
The work of Gilead CFO Robin Washington, BBA '84, adds hope for suffering patients and promising students.
- 50 FIRST PERSON**
Venga CEO and cofounder Brian Shimmerlik, BBA '05, gets his feet wet in the "Shark Tank."

DEPARTMENTS

- 2 TAPPAN & HILL**
News and notes from Ross.
- ROSS THOUGHT IN ACTION
—FACULTY FOCUS**
- 8 QUOTE / UNQUOTE**
Ross faculty members talk on the record about breaking news and business trends.
- 10 POLICY PITCHES FOR
THE NEW PRESIDENT**
Michigan Ross faculty weigh in on the critical issues facing the next U.S. president.
- 12 WHAT ARE YOU THINKING ABOUT?**
Professors Seth Carnahan and Anna Costello discuss hot topics in business.
- 14 THE DELICATE DANCE OF
TECHNOLOGY AND LABOR**
Professor Mohamed Mostagir examines the increasing friction between technology advances and job loss.
- 42 ALUMNI ACTIVITIES**
Photos and events from Ross alumni around the world.
- 46 CLASS NOTES**
The latest news from classmates.
- 49 OBITUARIES**

FIND MORE CONTENT ONLINE!
ROSSDIVIDEND.COM

MORE



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Six Ross MAcc Grads Win Prestigious Sells Award

Every year, a select number of the highest scorers on the CPA exam receive the Elijah Watt Sells Award, recognizing their exceptional work and aptitude. Of the more than 93,000 CPA test takers in 2015, only 75 people scored high enough to qualify for the award. Ross grads from the Master of Accounting Program made up eight percent of those high scorers—the highest number of award winners to come from one school.

The 2015 Elijah Watt Sells Award winners from the Ross MAcc Program are **Chia-Jen Chang, Charles Coop, Alex Engebretson, Lisa Marchlewski, Michael Rozman Proppe, and Emily L. Slaga.**

In order to qualify for the award, test takers must score above 95.50 across four sections of the CPA exam on their first attempt.

Ross Students Excel in National Competitions

This spring, Ross BBA and MBA students enjoyed an impressive winning streak in high-profile competitions. Among the achievements:

RICE BUSINESS PLAN COMPETITION

Two University of Michigan student-run startups were awarded substantial prizes at this year's Rice Business Plan Contest, the world's largest and richest graduate-level business plan competition. Neurable and PreDxion Bio, the two winning teams, both started their successful business plan contest seasons at the Zell Lurie Institute's Michigan Business Challenge, and together took home \$430,000 in cash prizes and investment dollars at RBPC. Beating out more than 400 original business plan submissions and 40 competing teams, Neurable took second place in the competition, earning the \$50,000 Second Place Prize, as well as the OWL Investment Prize of up to \$280,000. Co-founded by **Michael Thompson, MBA '18**, and **Ramses Alcaide, PhD Neuroscience '16**, Neurable has created the first non-invasive brain-computer interface that allows for real-time control of software and physical objects. PreDxion Bio took home the \$100,000 TiE Boston Angel Investment Prize. Co-founded by **Caroline Landau, MBA '16**, and **Walker McHugh, MSE Biomedical/Medical Engineering '17**, PreDxion Bio is a precision medicine diagnostics company with a beachhead product that measures proteins in the blood of critically ill patients.

THOUGHT FOR FOOD GLOBAL SUMMIT

More than 2,400 students from 105 countries and 578 universities participated in the 2016 Thought For Food Global Summit in Zurich, Switzerland. Thought For Food is a movement that brings together university students from around the world to tackle hunger and provide innovative solutions to global food security problems. Michigan Ross student **Eric Katz, BBA '17**, and his team of entrepreneurs won the summit's business proposal competition for seed funding and a grand prize of \$10,000. Teams were evaluated based on their proposal's innovation, feasibility of implementation, uniqueness, team spirit, and the potential for their business to help feed nine billion people by 2050. The team's venture, Kulisha, produces low-cost, high-quality, sustainable fish feed made from insects.

PATAGONIA CASE COMPETITION

Outdoor outfitter Patagonia sponsored its first-ever case competition to help rid its products of PFC chemicals, which are used for waterproof clothing but contaminate natural areas. A Ross-led team won the competition and will now work with Patagonia to implement its plan. Team members were **Allyson Stewart, MBA '18**; **Denise Miller, MBA/MS '17**; **David Ruebenson, MBA '18**; **Aysha Malik, MBA '18**; and **Kevin Golovin and Sarah Snyder**, both engineering PhD students. The Ross team beat out more than 100 teams from 30-plus universities.

ACCENTURE INNOVATION CHALLENGE

A team of Ross MBAs beat out more than 200 others to take home the top prize at the annual Accenture

Innovation Challenge, by developing a winning plan to help a nonprofit organization expand its reach. **Jerry Won, Emily Knoll, and Stephen Hardin, MBAs '18**, took top honors in the competition. This year's event provided pro-bono management consulting support to help the growth plans for Back on My Feet, a nonprofit that uses the power of running to fight homelessness.

KPMG U.S. NATIONAL CASE COMPETITION

Three Ross BBA students and a friend won this year's KPMG U.S. National Case Competition, the second year in a row that a U-M team took top national honors. **Chelsea Racelis, BBA '18**; **Keishiro Iwasaki, BBA '18**; **Jay Parekh, BBA '18**; and **Sonia Thosar** of the College of Engineering were the winning team. After the national win, they went on to the KPMG International Case Competition to compete against teams from 22 countries.

Positive Research Incubator Renamed for Terence E. Adderley

The Positive Research Incubator at the Michigan Ross Center for Positive Organizations has a new name: Adderley Positive Research Incubator.



The naming honors the extensive contributions to the Center for Positive Organizations of **Terence E. Adderley, BBA '55/MBA '56**. Adderley is executive chairman and chairman of the board for Kelly Services Inc., a Fortune 500 company and global provider of human resources services with world headquarters in Troy, Mich.

In addition to a distinguished career in leadership roles at Kelly Services, Adderley serves on numerous boards and has received recognition for his many accomplishments, including: the Leadership Hall of Fame Award, the highest honor conferred by the American Staffing Association, which also recognized him as one of the most influential leaders in the staffing industry during the past 40 years; induction into the Heritage Hall of Fame by the International Institute Foundation; and the Automotive Lifetime Achievement Award by the Automotive Hall of Fame.

The Adderley Positive Research Incubator enables researchers in the field of positive organizational scholarship to share research ideas while still in development. This safe space encourages the development of high-quality research and allows for positive, constructive feedback on projects still in progress.

New Ross MM Grad Earns Olympic Silver Medal



Connor Jaeger, BSE '14/MM '16, won a silver medal at the Summer Olympics in Rio de Janeiro, Brazil, in August.

On the heels of completing his Ross Master of Management degree in the spring, Jaeger competed in his second Olympics as a member of the U.S. swimming team. He won the silver medal in the 1,500-meter freestyle race, and his time of 14:39.48 was a record for a member of the U.S. team.

Jaeger also won three NCAA championships during his time swimming at U-M.

Leaders share ideas for driving change at Positive Business Conference



The third annual Positive Business Conference returned to Michigan Ross this spring.

Hundreds of academics and business leaders—including executives from Google, Kellogg Co., and Patagonia—shared experiences, research, and best practices on how business can be a positive force in the world. This means ensuring that business creates economic value, creates great places to work, and is a good neighbor in the community and society.

While positive business practices are a growing part of corporate culture, there are some skeptics who see only cost and few benefits. Several at the conference

shared concrete evidence of the ways that positive business practices can improve bottom-line results.

[MORE](#) WATCH KEYNOTE ADDRESSES FROM THE POSITIVE BUSINESS BUSINESS CONFERENCE
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Mitsui Symposium Celebrates 25 Years, Honors Professor E. Han Kim



The Mitsui Life Financial Research Center at Ross held its 25th Finance Symposium in May, bringing together the world's top thinkers and researchers in finance. In addition to tackling issues such as warehouse banking, mergers, and the effects of financial advisor misconduct,

Ross Professor **E. Han Kim** was honored for his contributions to the field of finance.

Kim, a prolific researcher and teacher, helped establish the Mitsui Center as a way to bridge the U.S. and Asian financial markets. As the global economy evolved, the focus of the center shifted to studying financial economics in general.

“We try to focus on the latest issues and gather the top experts on those issues together to share knowledge,” says Kim, Everett E. Berg Professor of Business Administration and director of the Mitsui Life Financial Research Center and East Asia Management Development Center. “The goal is to get a better understanding of the causes and effects of financial events and to provide a cure.”

Reflecting on the symposium's 25 years, Kim says he enjoys seeing colleagues come together pursuing big ideas and solving real problems.

“It's very gratifying to see former students, colleagues, and co-authors presenting their papers and sparking discussion and constructive debate,” he says. “This is how we arrive at solutions to issues like financial crises and corporate governance problems.”

Executive Education Adds 'Ascending to the C-Suite' Program for Women

A new offering from Michigan Ross Executive Education is designed for senior-level women executives who aspire to the C-Suite. The program combines the leading business thinkers from Ross with top business practitioners for an educational experience second to none.

“Ascending to the C-Suite: From Theory to Practice” immerses participants in specialized subjects the mastery of which is critical for C-Suite executives—yet that may be missing from professional development for women leaders. Each topic is taught with a 360-degree view by pairing renowned Michigan Ross faculty with global business leaders.

The first offering of the program begins in November. More information is available online at michiganross.umich.edu/programs/executive-education.

MORE

DEAN SCOTT DERUE AND INFORUM CEO TERRY BARCLAY DISCUSS THE PROGRAM ON THE “MICHIGAN MATTERS” TV SHOW
ROSSDIVIDEND.COM

Handleman Lecture Series Brings Malcolm Gladwell to Campus



Acclaimed author Malcolm Gladwell spoke to a Michigan Ross audience at Hill Auditorium in September as part of the Joesph and Sally Handleman Lecture Series.

Gladwell spoke on some personal characteristics shared by most successful entrepreneurs—including a sense of urgency, a spirit that does not require the approval of others, and an understanding of the volatility in the world. Gladwell also took questions from the audience.

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Faculty Awards, Honors, and Appointments

A number of Michigan Ross faculty members have been recognized and honored for their excellence in teaching, research, and service, both by the school and the university’s Board of Regents. Ross also gained another distinguished university professor.

Damian Beil, Jeffrey Sanchez-Burks, David Wooten, and **Carolyn Yoon** were promoted to the rank of professor. **Felipe Csaszar, Scott Rick,** and **Chris Williams** were promoted to associate professor, with tenure.

Wally Hopp was appointed the C.K. Prahalad Distinguished University Professor of Business and Engineering. This honor is for U-M’s elite faculty, and Hopp joins **Jane Dutton** as one of two distinguished university professors currently at Ross.

Michigan Ross faculty also honored their own with the annual faculty awards and the Neary Teaching Excellence Awards. Winners of the 2016 Ross Faculty Awards are:

Junior Awards

Martin Schmalz	NBD Bancorp Assistant Professorship of Business Administration
Kyle Handley	Sanford Robertson Professorship
Stefanus Jasin	Arnold and Linda T. Jacob Faculty Award

Senior Awards

Wally Hopp	CORE award
Gretchen Spreitzer	RSB Researcher of the Year Award
Jerry Davis	RSB Senior Faculty Research Award
Greg Miller	Victor L. Bernard Faculty Award for Leadership in Teaching
Valerie Suslow	Andy Andrews Award

Neary Teaching Excellence Awards

Ryan Ball.....	Full-Time MBA Teaching Excellence Award
Izak Duenyas.....	Executive MBA Teaching Excellence Award
Aneel Karnani	Weekend MBA Teaching Excellence Award
Brad Killaly.....	BBA Teaching Excellence Award
Jim DeSimpelare	MAcc Teaching Excellence Award
Bill Lanen	Global MBA Teaching Excellence Award
Martin Schmalz.....	Evening MBA Teaching Excellence Award
Ari Shwayder.....	MM Teaching Excellence Award
Carolyn Yoon.....	PhD Teaching Excellence Award

Executive Education

Kim Cameron.....	Executive Education Teaching Impact—Custom Programs Award
Gretchen Spreitzer	Executive Education Teaching Impact—Open Enrollment Programs Award

Other Honors and Awards



Achyuta Adhvaryu was named a faculty research fellow at the National Bureau of Economic Research, one of the most influential institutions for economic policy research in the U.S. He was also selected as a Faculty Affiliate of the International Growth Centre.



Gautam Ahuja has been selected as the Strategic Management Society's 2016 Foundations Scholar for the foundational impact of his research. This highly selective

recognition is awarded by SMS's Knowledge and Innovation/Technology group, which focuses on how managers can best leverage their organization's knowledge base for competitive advantage. Ahuja also received the 2016 BPS Irwin Outstanding Educator Award from the Academy of Management's Business Policy and Strategy division. This award goes to exemplary educators with at least 15 years of service since their doctorate program.



Wayne Baker's research paper "Paying it Forward vs. Rewarding Reputation: Mechanisms of Generalized Reciprocity" won the Outstanding Published Article Award from the American Sociological Association's Section of Altruism, Morality, and Social Solidarity.



Ryan Ball received the Golden Apple award from students honoring outstanding university teaching. The only student-selected teaching award on U-M's campus, Golden Apple honors undergraduate and graduate faculty members who continuously seek to engage students in the classroom.



Marcus Collins was named an Advertising Age "40 under 40." The list recognizes people who are reshaping marketing and making an impact in the field. Collins is senior vice president and director of social engagement at advertising agency Doner.



Andrew Hoffman has received an Aspen Institute Faculty Pioneer Award, which recognizes faculty at the vanguard of teaching about the interface of business and society. It's awarded to educators who demonstrate leadership and risk taking, and who help build a curriculum that examines the relationship between capital markets, corporations, and the public good.



Shirli Kopelman's book *Negotiating Genuinely: Being Yourself in Business* received the IACM 2016 Outstanding Book Award. The International Association for Conflict Management (IACM) recognizes books that are innovative, interdisciplinary, broad in their appeal and impact, and inspirational.



Ted London also received an Aspen Institute Faculty Pioneer Award with a Field Building distinction for his longstanding contributions to base-of-the-pyramid strategies. The award recognizes his impact on the collective understanding of a field of inquiry and how that field of inquiry is taught in MBA classrooms.



David Mayer received the 2016 Cummings Scholarly Achievement Award for his prolific and high-quality research. The prestigious award is given by the Organizational Behavior Division of the Academy of Management and honors early- to mid-career scholars.



Sarah Miller also has been named a faculty research fellow at the influential National Bureau of Economic Research. Miller also was awarded a \$150,000 grant from the Russell Sage Foundation. She will study the impacts of the Affordable Care Act on bankruptcy and other financial outcomes.



Eric Schwartz was named a “Twenty in their 20s” by *Crain’s Detroit Business*. The list recognizes 20-somethings on the rise in southeast Michigan.



Jagadeesh Sivadasan was selected to join the International Growth Centre as a research affiliate. The IGC promotes economic growth in developing countries through ideas generated from frontier research.



Chris Williams is a recipient of the 2016 Deloitte Wildman Medal Award, presented by the American Accounting Association for his research, “Are IFRS-based and US GAAP-based Accounting Amounts Comparable?” which was published in the *Journal of Accounting Economics*.

Appointments



Lynn Wooten was appointed senior associate dean of student and academic excellence. In this role, Wooten will be charged with ensuring the success of students across their entire life cycle at Ross. This new structure will encourage greater sharing of lessons and innovations across programs. Among those reporting to Wooten will be two new faculty

academic directors. **Jagadeesh Sivadasan** was named faculty director for the Full-Time MBA Program. **Dana Muir** steps into the new position of faculty director of undergraduate programs. Associate Dean **Wally Hopp**, and faculty directors **John Branch** (Part-Time MBA), **Izak Duenyas** (Executive MBA), **Cathy Shakespeare** (MAcc), and **Norm Bishara** (MM) will also report to Wooten, as will Career Services, Academic Services, and Graduate Admissions.



M. S. Krishnan was appointed associate dean for Executive Education and Global Initiatives. Under Krishnan’s leadership, Ross has increased graduate student access to global experiences by 18 percent, and undergraduate student access to global experiences by 28 percent.



Francine Lafontaine was appointed senior associate dean for faculty and research, and will look after all concerns related to faculty affairs, including the school’s centers and institutes, research enterprise, and strategy for diversity and inclusion.



Wally Hopp, associate dean for learning design, will take on responsibility for the Office of Action-Based Learning, in addition to the school’s commitment to designing and delivering innovative learning experiences for its students.

Ross Welcomes New Faculty

Five new professors and lecturers join the Michigan Ross faculty this academic year, bringing with them expertise and research interests ranging from communication to financial regulation.



Derek Harmon joins the strategy faculty as assistant professor. Harmon earned his PhD from the Marshall School of Business at the University of Southern California, where his dissertation looked at how the communication of the Federal Reserve chairperson influences the U.S. financial market. His research interests include how actors use communication strategically to manage audience perceptions and stakeholder relationships.



Jeremy Kress joins the business law faculty as a lecturer. Kress is a senior research fellow at the Center on Finance, Law, and Policy at U-M Law School and is a former attorney at the Federal Reserve. While at the Fed, Kress conducted an investigation into corporate governance failures that led to the \$6 billion trading loss by JPMorgan's Chief Investment Office and recommended changes to the Fed's supervisory practices to prevent similar losses. He also clerked for U.S. District Judge Matthew Leitman in Detroit.



Samantha Meyer joins the technology and operations faculty as assistant professor. Meyer earned her PhD from Northwestern University's McCormick School of Engineering, where her dissertation was on resource and communication networks in urban primary school systems. She also spent the past year at Ross as a research fellow. Meyer's research interests are around social networks and resource sharing at the interpersonal and interorganizational levels, including knowledge sharing networks, the interaction between social and physical networks, and social media use in organizations.



Bob Totte joins the accounting faculty as intermittent lecturer. Totte has nearly 40 years of experience in the tax accounting field and is a returning lecturer to Ross, having taught here from 1982 to 1983 and again from 1987 to 1993. He recently retired from Jarden Corp., where he was senior vice president. His teaching interests include tax policy developments and technical topics that prepare students to handle real-life tax issues when they enter the workforce.



Andy Wu joins the technology and operations and finance faculty as assistant professor. Wu earned his PhD from the Wharton School at the University of Pennsylvania, where his dissertation was on shock spillover and financial response in supply chain networks. His research interests include corporate finance and asset pricing, machine learning, textual analysis, and economic networks.

Quote UnQuote

“The corporate tax rate in the United States is still one of the highest in the world, so unless that changes, the incentive for tax-inversion deals is still there.”

E. Han Kim, Everett E. Berg Professor of Business Administration and professor of finance and international business, on why tax-inversion mergers will likely continue.

U.S. News & World Report

March 9, 2016

40

Average monthly number of top-tier media outlets featuring Michigan Ross (Jan.-June)

“Prejudice can take subtle forms. Micro-aggressions are extremely ambiguous forms of prejudice, like not making eye contact or calling someone by an Americanized version of their Chinese name: It might mean nothing, or it might signal something else.”

David Mayer, Michael R. and Mary Kay Hallman Fellow and associate professor of management and organizations, on the difficulties companies face rooting out hidden biases in hiring.

Bloomberg

March 17, 2016

7th

Ross ranking for amount of coverage among peer schools in top outlets (Jan.-June)

“People will say ‘I want to grow revenues by 25 percent’ but they rarely announce that they want to improve their listening skills.”

Scott DeRue, Edward J. Frey Dean of Business and Stephen M. Ross Professor of Business, on the importance of mindfulness and continuous learning.

Fast Company
March 17, 2016

“It’s difficult to even understand the relationships between hospitals and doctors’ practices. We don’t have a lot of clear research.”

Francine Lafontaine, senior associate dean for faculty and research and William Davidson Professor of Business Economics and Public Policy, on smaller healthcare mergers that escape regulatory notice.

The New York Times
April 8, 2016

“If you go public, or are publicly listed, you will never be rewarded for creating jobs. Workers are a big expense.”

Jerry Davis, Wilbur K. Pierpont Collegiate Professor of Management and professor of management and organizations, on why startups aren’t the job creators they once were.

Inc.
April 19, 2016

“Two of the remaining candidates, Trump and Sanders, promise significant shifts in those policies (from the Obama years). Yet both of them have not issued detailed statements on many facets of their economic policies.”

Paolo Pasquariello, associate professor of finance, on how Wall Street is looking at the election.

U.S. News & World Report
May 2, 2016

“CEO succession planning isn’t rocket science. Yet 80 percent of the biggest U.S. companies get it wrong because they fail to focus on the political and cultural fundamentals.”

Noel Tichy, professor of management and organizations, on corporate succession planning.

Wall Street Journal
June 8, 2016

778

Total number of media articles featuring Ross during month of July

“Most states have a sense of moderate enforcement, and then some are more aggressive, like Florida. It’s a percolating issue.”

Norm Bishara, associate professor of business law and ethics, on the enforcement of non-compete agreements for low-wage workers.

CBS Moneywatch
Jan. 10, 2016

“You don’t actually have to change trade policies to have some real effect on economic activity right now. If Trump is actually elected and these things seem even more likely, they could slow down economic activity and investment quite a lot—whether or not they come to pass.”

Kyle Handley, assistant professor of business economics, on how uncertainty with trade policy affects the economy.

Bloomberg
June 30, 2016

“This isn’t a natural disaster, where everyone is aligned right away. This is difficult stuff to process. But a compassionate organization cultivates a sense of empathy for those who are suffering. And the first thing is for leaders to be present, talking, listening, and acknowledging that something specific has happened, and that some people may have concerns.”

Alison Davis-Blake, Leon Festinger Collegiate Professor of Management and professor of management and organizations, on why companies should address the issue of police shootings.

Fortune
July 7, 2016

Policy Pitches for the New President

Michigan Ross faculty weigh in on the critical issues facing the next president—whomever that may be.

To call this presidential election season unusual is an understatement. But once the race is over, there will be a new resident in the White House with a laundry list of serious policy issues to address. No matter who wins, he or she will need to focus considerable time on national security in the face of terrorist attacks, but also healthcare, trade, taxes, income inequality, and energy policy, just to name a few.

We asked Michigan Ross faculty with expertise in these areas of business and the economy what they would tell an incoming president. One thing is clear from these policy prescriptions: The solutions won't be an easy political pill to swallow.

TAXES Promises Will Be Hard To Keep



Few campaigns go by without promises of tax relief to one income group or another, depending on the candidate. But living up to those promises invites problems, says Professor **Joel Slemrod**.

"I'd advise caution about tax cuts inevitably promised during the campaign," he says. "While the short-term fiscal situation has stabilized, over the long term there is a gaping fiscal imbalance because the cost of the promises in the Social Security and Medicare programs greatly exceeds the taxes in place now to fund them. Because the real income of everyone except those at the top has stagnated, the tax system should be used to lean against—but cannot be expected to eliminate—this secular trend toward greater inequality. Higher income tax rates aimed at top earners can achieve this without endangering growth."

Slemrod, the Paul W. McCracken Collegiate Professor of Business Economics and Public Policy, says the corporate tax system should be overhauled to discourage tax-inversion mergers that seek incorporation in countries with lower corporate tax rates.

"The president should reform, with renewed vigilance, the way we tax corporations and adjust it to the changing global environment to address erosion of revenue via tax havens."

TRADE Keep It Free But Include Assistance



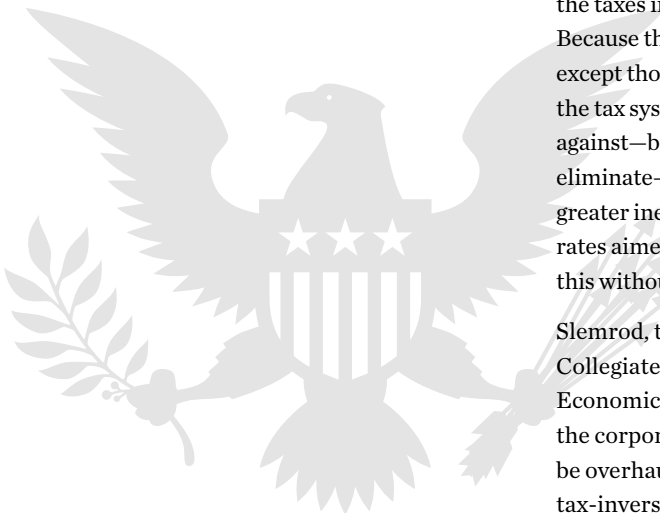
Both major party candidates say they oppose the Trans-Pacific Partnership. But Professor **Linda Lim**

thinks once in office the new president should press ahead with both the Trans-Pacific Partnership (TPP) with Asia and the Trans-Atlantic Trade and Investment Partnership (TTIP) with the European Union.

"The TPP and TTIP will lower foreign barriers to U.S. exports and ensure greater competitiveness and fairer competition for U.S. businesses at home and abroad," says Lim, professor of strategy. "I see these agreements strengthening intellectual property rights while raising household consumption and living standards by maintaining low inflation."

But while she urges full steam ahead on those free-trade pacts, she also would advise the new president to expand trade and technology adjustment assistance for the businesses and workers negatively affected by the agreements.

"He or she should expand trade adjustment assistance and other policies to help workers and businesses that need them," she says. "Import-impacted firms would get help to develop new markets and improve productivity while workers would get retraining and relocation grants. Unfortunately, the budget allocation is wholly inadequate, and this together with slower macro growth and technological change is a major reason for the anti-trade sentiment on the campaign trail."



INCOME INEQUALITY

The Central Issue



The solutions might be politically difficult, but income inequality cannot be ignored for much longer or volatile social

unrest will follow, says Professor **Wally Hopp**. The percentage of total income received by the top 1 percent of Americans has risen from 8 percent in the 1970s to 20 percent today.

That's not sustainable, nor is it at all healthy for the economy as a whole.

"Technology and globalization are profoundly transforming work in America," says Hopp. "Blue and white collar jobs alike are being automated, offshored or both. But our political process has failed to address the needs of the middle class and has instead given us tax regulations, labor laws, and trade agreements that tilt outcomes in favor of the economic elite. As a result, we have reached levels of income inequality not seen since the Gilded Age."

Hopp, associate dean for learning design, C.K. Prahalad Distinguished University Professor of Business and Engineering, Herrick Professor of Business, and professor of technology and operations, says consolidating income at the top slows the velocity of money though the economy because those people spend it more slowly than working people.

"If things continue as they are, it won't be long before anger leads to full-blown social revolution," he says. Indeed, look how far two "disruption" candidates—Donald Trump and Bernie Sanders—have come this year. "To avoid this, we need the new president to rebalance government policy in favor of the middle class by increasing the minimum wage to ensure that no one working full time lives in poverty, increasing support to education to help people train and retrain for jobs in the knowledge economy, and significantly investing in infrastructure to create jobs and the basis for a robust economy in the future."

AFFORDABLE HEALTHCARE

Expand It



The Affordable Care Act (ACA) was a centerpiece of Obama's policy agenda. Though it's unpopular with many

Republicans, Professor **Thomas Buchmueller** says the new president should push it onward with improvements.

"I would urge the new president, as well as the Congress, governors and state legislators, to build on the Affordable Care Act to further advance the goals of expanding insurance coverage and controlling healthcare costs," he says. "Although more than 20 million Americans have gained insurance since the law was signed in 2010, there are still about 30 million who remain uninsured. Further coverage gains can come from more states adopting the ACA's Medicaid expansion and by improving take-up in states that have already done so. Expanding take-up could be done by more aggressive outreach and education. The experience of Michigan illustrates how expanding coverage can benefit a state's population and its economy."

Buchmueller, Waldo O. Hildebrand Professor of Risk Management and Insurance and professor of business economics and public policy, says the new administration and Congress should rigorously pursue a cost-control strategy.

"Controlling costs requires a multipronged strategy that includes vigorous enforcement of antitrust laws to prevent providers from accumulating and exploiting market power," he says. "A rare area of agreement among Democrats and Republicans in Congress is that many would like to repeal the ACA's high-cost health plans. But this 'Cadillac tax' is a key element of the law's strategy for controlling costs. It should be left in place and given time to work."

ENERGY POLICY

Put a Price on Carbon



The next president needs to take serious, fast steps to address climate change, and the best way to do that is to set a price on carbon, says Professor **Tom Lyon**.

"We know price signals work. Just look at how quickly cheap natural gas has displaced coal in the electricity market, or how car buyers switch to efficient cars when gas prices soar and back to gas guzzlers when prices plummet," he says. "Do what economists have been advising for decades—put a price on carbon that is high enough to motivate change, say \$50 a ton. That would be enough to make nuclear power—still the only scalable baseload carbon-free option—economically viable against natural gas, even for existing nuclear units. And we should ramp up R&D into next-generation nuclear plants, which will be safer and generate less waste."

Lyon, Dow Professor of Sustainable Science, Technology and Commerce and professor of business economics, also says that should be part of a wider overhaul of energy policy.

"Cancel the corn ethanol subsidy, even if Iowa farmers complain," he says. "Increase R&D on technology that goes beyond carbon-free and actually removes carbon from the atmosphere. Work with developing countries to make sure they have cleaner alternatives than coal."

—TERRY KOSDROSKY

Income disparity between men and women and the comparatively small number of female business executives are two inter-related issues that have been under scrutiny for years, yet both problems persist. Many companies have launched initiatives to rectify this, and members of Congress have even proposed legislation to spur change. Research by Seth Carnahan, professor of strategy at Michigan Ross, however, suggests managers should look inward if they want to find a root cause of gender disparity in the workplace.

Q:

What are You Thinking About?

A:

Gender Equality and Political Ideology at Work



WHAT ARE YOU THINKING ABOUT?

I've recently been thinking about gender inequality at companies and how it relates to a manager's ideology. I've been looking at partners in law firms, their political ideologies, and the promotion and hiring of women at those firms. We tracked political leanings through campaign donations over the last decade. In offices where partner attorneys are more conservative, we found that male junior attorneys were much more likely than female junior attorneys to be hired and promoted to partner. Conversely, law offices where partners are more liberal have smaller gender gaps in hiring and promotion. For example, the gender gap in promotion to partner is about 80 percent larger in law offices where partners are more conservative, as compared to those where partners are more liberal.

The data that we are using allow us to measure a number of other factors like the type of law being practiced, the geographic location of the office, and the law school ranking and law school honors of the junior attorneys. But ultimately, this is a correlation, and we need more research to know exactly why it's happening. For example, in surveys, it's clear that conservatives and liberals think about gender roles differently. Do these views directly influence the way that managers make personnel decisions? Or might the effect result from workplace culture, such that female junior attorneys do not match well with conservative offices? I'm really interested in resolving these questions.

WHY IS THIS INTERESTING TO YOU?

Understanding why some organizations have a harder time than others attracting, hiring, and promoting talented women is a very important puzzle. And I've always been curious about the way that political ideology affects our personalities and worldviews. Yet, I was skeptical when we started the project that gender inequality would be tied to managers' political ideology. The correlation is larger than I expected, which motivates me to find out more.

WHAT ARE THE IMPLICATIONS FOR INDUSTRY?

Political ideology can be a hot-button issue, especially at work and especially during an election year. But I think that our research serves as a nudge, reminding us to step back and consider the predispositions and beliefs that we bring to our personnel decisions. It might also be helpful to think about how our beliefs feed into the culture of the organization, which may go a long way in determining whether a firm is an attractive place for talented women.

—INTERVIEWED BY TERRY KOSDROSKY

ANNA COSTELLO

Bank credit gets a lot of time and attention from policymakers and the business press, but there's another type of financial risk that dwarfs short-term bank financing and is less understood. Anna Costello, Arthur Andersen Faculty Fellow and assistant professor of accounting, is trying to help businesses, accountants, and policymakers get a better handle on the credit risk that comes from everyday supplier relationships. Doing so will help them find better ways to hedge the risk, understand its sources, and quantify the potential exposure.

Q:

What are You Thinking About?

A:

Trade Credit Exposure



WHAT ARE YOU THINKING ABOUT?

I'm thinking about how firms become exposed to credit risk when they transact with supply-chain partners. In particular, when a company enters into a transaction to buy goods and services from suppliers or sell goods and services to customers, they often do so on credit. This is called trade credit and it's more than three times as large as bank financing as a source of short-term borrowing for companies in the United States. Furthermore, a large portion of this credit risk remains largely unhedged. That means firms in the United States may face large financial risks if their customer base defaults on trade credit loans. My research focuses on understanding the magnitude of these risks for individual firms as well as for the economy as a whole. I also study how managers can use information—either public financial statements or soft, relationship-specific data—to assess and minimize credit risk when they enter into a trade transaction.

WHY IS THIS INTERESTING TO YOU?

We live in a global economy, and most companies are highly exposed to a variety of industries and countries through their supply chain links. While this diversity creates many benefits, it also carries costs in terms of exposure to negative events. We saw many of these spillover effects during the recent financial crisis. It's also difficult for managers to understand the scope of their financial exposure due to the complexity of the supply chain and the opaque nature of many suppliers and customers. What's fascinating is how large trade credit exposures are, yet how little is understood about how to mitigate risk.

WHAT ARE THE IMPLICATIONS FOR INDUSTRY?

My research helps to inform both managers and the trade credit industry on how to assess the risk that a customer might default on a trade credit loan. One of my papers was recently used to aid a credit bureau in building their credit scoring model for trade creditors. My hope is that if we improve our understanding of the sources and consequences of trade credit risk, managers will become more efficient in making trade credit decisions. My research can also aid industries that serve to hedge trade credit risk. In this way, businesses may be better prepared to cope with cross-industry and cross-country credit spillovers during times of economic distress.

To illustrate, consider the damage that businesses incur during a hurricane. Severe weather often causes damage to local businesses, shutting them down for weeks or even indefinitely. Businesses most affected by Hurricane Sandy during the fall of 2012 delayed or even defaulted on payments to their own suppliers, causing an economic spillover effect that stretched far beyond the northeast region.

Similarly, banking crises can wreak tremendous havoc on the corporate economy. My research provides strong evidence that firms that had strong ties to the financial sector during the 2007-2008 U.S. financial crisis passed their liquidity problems onto their supply chain partners through trade credit claims; this exacerbated employment losses on Main Street.

—INTERVIEWED BY TERRY KOSDROSKY



The Delicate Dance of Technology and Labor

Professor Mohamed Mostagir examines the increasing friction between technology advances and job loss.

Can technology cause structural unemployment? Economic theory and data from the past couple of centuries suggest that the answer is no.

The productivity gains and lower prices spurred by technology free money to be spent elsewhere, increasing demand for other products and creating enough new jobs to offset the losses.



So the theory goes. But Professor **Mohamed Mostagir**, in a talk at the 2016 SXSW Interactive conference, notes that technology may be advancing so rapidly that a sizable chunk of the workforce can't be retrained with new skills fast enough.

There's anecdotal evidence of a rising skills gap—employers can't find people with the right skills for available jobs—and growing income inequality. At the same time, machines are getting better and smarter, replacing more and more human jobs.

That's why quantifying the skills gap and exploring the possible solutions—both educational and societal—suggested by the data is the new frontier of Mostagir's research.

"I don't think just continuing what we're doing now is a good option," says Mostagir, assistant professor of technology and operations. "There are a lot of new technologies, such as self-driving cars and advanced neural networks/deep learning, that need to be perfected before we get to a point where it causes mass, structural unemployment. Now is a good time to study this so we have smart answers when we get there."

MIND THE GAP

For the past decade, recruiting and consulting firm Manpower has surveyed employers about the skills gap. The firm found in 2015 that 38 percent of employers worldwide had difficulty filling jobs, a 2-point increase from the previous year.

There is also a major debate that has arisen in the U.S. over the impact of raising the minimum wage. The argument against raising precipitously to, say, \$15 per hour, states that restaurants and other retail businesses will quickly move to automation where they can.

Some analysts, experts and economists, however, aren't convinced that the gap is a major driver of unemployment, or that it even exists. The differences of opinion seem to stem from a lack of a good definition of what the skills gap is.

"We need a meaningful way to address the skills gap and that means we need to define it and quantify it," Mostagir says. "We also need to measure it across populations and sectors. Take healthcare as an example. That's a field with vacancies that don't require a college degree, but do require a certain level of training—clinical lab technicians, for example. What level of skill is lacking? And how do we get people there? I'm not aware of a way, yet, to put a number on it, to 'operationalize' it."

INFORMED SOLUTIONS

Measuring the skills gap is the first step toward informing the right policies and changes, Mostagir says. It will still take changes in education and social policy, though, to adjust to the new realities.

"If you look at education, we've been teaching people the same things and mostly in the same way for the past 20 years or so, as if the skills demand never changes," he says. "At Ross, I know we are asking companies more pointed questions about the skills they need so we can best match our curriculum to current and future needs."

That problem isn't necessarily new. What has changed, though, is that new skills become outdated faster than ever.

"People say 'we have to retrain workers,' but you can't just wave a wand and endow someone with skill," says Mostagir. "It takes time and resources, and by the time training is done the demand may have changed."

For example, the future of work will likely involve close human-to-machine interaction, even in the creative fields of art, design, photography, graphics, and writing. Mostagir says a system that can continually measure the new skills needed and predict them accurately will be a useful guide for educators.

"It's becoming clear the combination of machine and human is highly efficient and effective," he says. "Supercomputers have been able to beat people at chess for a long time, but there are instances where a mediocre chess player and a mediocre machine will beat

the individual supercomputer. It appears the speed of the machine and the decision-making and pattern recognition abilities of humans make a great combination."

Likewise, social policy will have to address worker displacement and training. The idea of providing people with a universal basic income—once proposed by economist Friedrich Hayek—has received renewed attention, including from a few libertarian-leaning conservatives. Providing a subsistence cash amount does away with a lot of the welfare-state infrastructure, yet keeps a social safety net.

"The job displacement rate is going to go up, and the first people hit are usually those with few other options," he says. "That's why it is important to study the effectiveness of these programs now."

Though this line of research might seem more in the realm of economic policy, Mostagir, who is trained in both operations and economics, thinks looking at these problems from an operations perspective might be the best way of attacking them.

"Operations is really the science of making things better," he says. "It's not only about streamlining supply chains or making airlines more profitable. We need economists to describe what's happening and propose high-level solutions. But the nuts and bolts is where operations comes in. Labor markets could benefit a lot from optimization, and I believe our field is in a position to make a meaningful and lasting impact on how these markets are run."

—TERRY KOSDROSKY



A VISION REALIZED

Construction Project Completes the Concept of a Unified Michigan Ross Campus



The most noteworthy aspects of the recent construction project at Michigan Ross don't have anything to do with number of floors, square footage, or materials. They have to do with functionality and flexibility. And they have to do with creating spaces that encourage collaboration, innovation, and learning outside the classroom.

Taken together, they transform the business school complex into a true 21st century learning environment to meet the needs of students, faculty, and staff today and into the future.



"The new space better aligns our facilities with the important mission of the school," says Ross Chief Financial Officer **Sean O'Neil**. "We are able to build great spaces that foster bold innovation and collaboration. Thanks to the commitment of our alumni, we are able to do this without putting additional pressure on tuition."

In broad outlines, the project includes: one new, five-story building, Jeff T. Blau Hall, replacing the old Computer & Executive Education/Electronic Education/"E" Building; a complete renovation of the former Kresge Library building into the new, multi-purpose Kresge Hall; and renovations to the Executive Residence, Sam Wyly Hall, and the exterior of the Hill Street parking garage to create a unified campus look.



PROJECT TEAM

Project Manager: University of Michigan
Architecture, Engineering & Construction

Architect: Kohn Pedersen Fox Associates

Construction Manager: Walbridge

AMONG THE FEATURES OF THE PROJECT:

- A completely re-thought Kresge Library Services, transitioning from a collection of physical reference materials to a full suite of information resources and research services, guided by expert staff.
- Best-in-class Career Services facilities for recruiters and students.
- Nine classrooms, including one mid-sized, 175-seat room that falls between a basic classroom and an auditorium.
- A flexible classroom space designed to facilitate team-based action learning, where class time is used to work on projects addressing real business challenges.
- Specifically designated quiet study spaces.
- Two workshop/“maker” spaces to encourage brainstorming and collaboration.
- Two large atriums that admit natural light and improve building aesthetics.
- Professional, welcoming facilities for graduate and undergraduate admissions offices.
- A “Center for Centers,” where most of the school’s centers and institutes—focused on specific subjects like leadership, sustainability, social impact, and so on—can share and work together.
- A professionally equipped video production studio.
- High-definition, digital audio/video infrastructure to facilitate live streaming and other innovative technology.
- Open office environments for staff designed to encourage collaboration and flexibility.





“We’ve been able to create more spaces for people to find a quiet place to study, and other spaces to work collaboratively in teams,” says Ross Director of Operations **Charles Amyx**.

The project was fast-tracked—a three-year project substantially completed in 27 months, including demolition and construction. Some final work on Wylie Hall is continuing into the fall. Speed was important, both to minimize disruption to the school and take advantage of lower costs offered by construction contractors, Amyx says.

He has high praise for everyone who worked on the project, which went smoothly. “It was a high-functioning team. There was a lot of cooperation and communication,” Amyx says, adding that the project could serve as a model for fast tracking other University of Michigan construction.

Donors funded the entire building project. A major gift from **Stephen M. Ross, BBA ’62**, was critical, as were important donations from **Jeff Blau, BBA ’90**, and **Sanford R. Robertson, BBA ’53/MBA ’54**, along with many others (see sidebar).

From the beginning, the project emphasized functional, forward-thinking design.

“Our programs, centers, and institutes were housed in buildings that were designed for another purpose. With Kresge Library, for example, we began to ask the question, what does a library look like in the 21st century? It’s not stacks of books. It’s something very different,” Amyx says.

“What we have now is buildings that are far more functional and modular. The one constant is change. Some programs expand, some contract, and we have to be able to react to that in an efficient way. So, the open office environment and using furniture systems instead of hard walls allows us to be able to react to those changes quickly.”

Compared to the opening of the main Ross building in 2009, primarily housing instructional space and faculty offices, the new project is more focused on programmatic and student support functions. “The space configuration really does matter,” O’Neil says. “Having space for staff to meet with their core groups, having innovation happen in space that’s well-thought-out and well-designed, is important.”

That space is now completing the vision of an integrated business campus, ready to meet the needs of the Michigan Ross community both today and tomorrow.

—BOB NEEDHAM

—PHOTOS BY MARK BIALEK

BLAU HALL/KRESGE HALL MAJOR DONORS:

Stephen M. Ross, BBA ’62

Jeff T. Blau, BBA ’90

Sanford R. Robertson, BBA ’53/MBA ’54

Elizabeth D. Black, MBA ’87

Michael, MBA ’68, and Sophia Brenner

Michael R., BBA ’66/MBA ’67, and Mary Kay Hallman

J. Ira, BBA ’59, and Nicki Harris

Robert Hutchens, BBA ’84, and Randi Brosterman Hutchens

Mike, BBA ’72, and Sue Janderno

Stephen Malkin, BBA ’83

William C., MBA ’65, and Sally A., AM ’67, Martin

Tim, MBA ’80, and Beth O’Day

Jane, BBA ’86/MAcc ’86, and Daniel Och

Keshava C. and Bharathi C. Reddy

Timothy J., AB ’82/MBA ’84, and Elise M., BFA ’82, Sloan

Harvey J. Spevak, BBA ’87/MAcc ’87

Lawrence and Wendy Tenebaum

Ronald N., BBA ’66, and Eileen, MMus. ’75, Weiser

Noah Yosha, BBA ’99

Hengde Zhang, BBA ’10

PROJECT DETAILS:

\$135,000,000

TOTAL COST, FUNDED BY DONATIONS

179,000 FT²

FULL RENOVATION

104,000 FT²

NEW CONSTRUCTION

75,000 FT²

KRESGE RENOVATION

18 Months

CONSTRUCTION TIMEFRAME FROM START TO SUBSTANTIAL COMPLETION

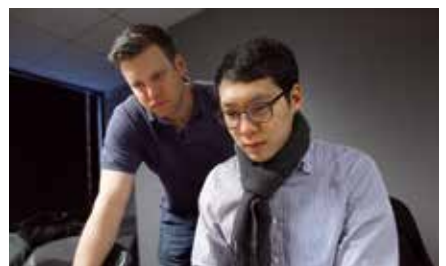
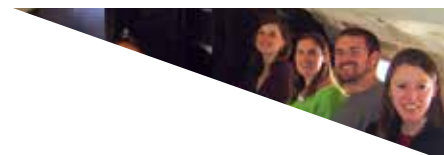


MORE PHOTOS OF THE FINISHED PROJECT, AND A TIME-LAPSE VIDEO OF THE CONSTRUCTION
ROSSDIVIDEND.COM





25
MAP
25
YEARS



Michigan Ross changed the landscape of business education 25 years ago with its signature Multidisciplinary Action Projects (MAP) program. Today, innovation continues to create transformative experiences for the next generation of business leaders.



B. Joseph White became dean of Michigan Ross in 1990—only a few years removed from his time as an officer at Cummins Inc., a diesel engine manufacturer—and brought back with him a lingering concern about business school graduates. He saw plenty of smart, talented people, but with limited real-world effectiveness.



At the same time, accounting professor **Paul Danos** was leading a committee at Ross to rethink the MBA curriculum. Though he didn't have White's recent industry experience, he had similar concerns.

What they and others at Ross pioneered as a solution—Multidisciplinary Action Projects—brought experience-based learning to the forefront of business education and sparked further curriculum innovation both at Ross and other schools.

"I resolved that if I became a dean, whether at Michigan or another school, I would do what I could to help students become more effective in the world into which they were heading," says White, who served as dean from 1990-2001 and later became president of the University of Illinois. "MAP became one of the most gratifying experiences

of my professional life—to work with Paul Danos and all of the sponsoring companies and really see an idea come alive and its intended effect."

MAP has not only given Ross national recognition as an innovator, but it also has made a deep impact on the lives of thousands of alumni, who often point to the MAP experience as one of their most memorable times at Michigan Ross.

How much impact? Alumni who experienced MAP are now business leaders sponsoring projects of their own.



"MAP was not only ahead of business teaching when it launched, it was ahead of industry," says **Seth Kaufman, MBA '01**, chief marketing officer for PepsiCo North America Beverages.

"In the future, I see it continuing to push the boundaries of what's possible in bringing people and ideas together."

The first-year MBA students heading off to projects in spring 2017 will be the 25th MAP class since a pilot course in 1992. A silver anniversary is a perfect time to examine your roots, see where you are, and figure out how to stay ahead in a time of rapid global change.

NO ROADMAP REQUIRED

Dean White named Danos associate dean (later senior associate dean) overseeing the MBA Program with a mission to fashion a new core curriculum with a major action-learning piece. Danos decided it was time to stop tweaking around the edges and forge ahead with full-scale change. Semesters were broken up into two seven-week terms, with a full term in the spring semester for first-year MBAs dedicated to a real-world action project—MAP.

The idea was to give students a real-world issue to solve at a company, let them deal with the uncertainty they would encounter in the business world, work as a team under deadline, and present solutions. There was no syllabus, and no case study with guidance questions.

That kind of overhaul asked a lot from faculty, students, and corporate sponsors. Faculty had to move or shorten long-established core courses and step out of their area of expertise and become MAP project advisors for a term instead of classroom research teachers. Students were asked to go along with something no other business school was doing. Sponsors had to come up with projects that would be meaningful to students.

“We were dealing with the first-mover problem,” White recalls. There were plenty of obstacles and skeptics. But by addressing them one at a time while focusing on the main goal, the overall value became apparent, says Danos, who is now dean emeritus of the Tuck School of Business at Dartmouth College.

“I just decided to roll the dice and go with a very radical change, and Joe White supported it,” he says.

“There was some political sensitivity. But when we presented it I think most people were ready for a big change. It just hadn’t been proposed to them yet. It proved to me if you think things through carefully, have good people on your team, and you’re careful in how you implement, change isn’t as scary as it seems.”

A MAP pilot ran in 1992 with part of the Full-Time MBA class participating—140 students across 21 projects at 20 companies. It didn’t take long for even some of the skeptical students to see the value.

A Long, Productive Partnership

You might call Ford Motor Co. an early adopter.

Ford is the longest-running sponsor of MAP projects, having first engaged in the program in 1994. The iconic automaker has since collaborated with Ross students and faculty on more than 50 additional projects around the globe.

Ford employees can reach out directly to apply for a MAP project. Ford Strategic Alliance Manager Amy Skehan explains, “We encourage people to sign up for MAP because we realize how beneficial these projects are. They’re a fast, valuable way to identify a problem and get a solution.”

The level of trust that’s been developed over the years between Michigan Ross and Ford has elevated the scope of projects and enabled the company to better identify future opportunities.

And it’s not unusual for the organization to sponsor multiple projects in a given year.

In 2015, a Ford Credit MAP team designed risk management tools and a financing model for transportation businesses, while another Ford team worked on developing the strategy and value proposition for a new mobile app. That same year, another Ford team created a strategic framework for translating the company’s corporate sustainability tenets into actual business deliverables.

Skehan says, “MAP is very important to Ford because of the interdisciplinary nature. It’s also really great to have the teams on site. We work with other programs that aren’t on site, and you don’t get the same results.”



“One of the ways we knew that was because students who weren’t in the pilot were concerned they were at a competitive disadvantage,” says White. “The recruiters really liked this thing.”

The next year MAP became part of the required core MBA curriculum, with all 420 MBA first-years working across 60 projects at 46 companies. To date 10,438 Full-Time MBA students have worked on 2,010 projects in 92 countries with 1,352 sponsor companies.

Other business schools took notice of MAP’s success, and some adopted action-learning programs into their curricula.

“Once MAP was instituted at full scale it became part of the Michigan brand, part of the character,” says White. “Then into the next decade, as other schools began to do versions of MAP, we were seen as a pioneer in a major new teaching method.”

In the 2010 book *Rethinking the MBA: Business Education at a Crossroads*, Harvard Business School professors Srikant Datar, David Garvin, and researcher Patrick Cullen highlighted Michigan Ross’ MAP.

“The reason we looked at MAP was because in our conversations with executives and other faculty members, many pointed to it as the gold standard for experiential learning in MBA programs,” says Cullen, now vice president of strategy and innovation at AACSB International. “It was distinctive because it was in the first year and no other classes were offered during that period. There was a lot of praise given to the global nature of these projects as well.”

GROWTH: GLOBAL AND ACROSS PROGRAMS

The types of projects students handled grew in variety over the years—such as nonprofits and entrepreneurial ventures—and MAP expanded to the Executive MBA and Global MBA Programs in 2002, Evening MBA Program in 2008, and Weekend MBA Program in 2011. This winter, BBA, Minor in Business, and Master of Management students can enroll in a Capstone MAP course.

Expanding globally has been key to MAP’s vitality. The first international MAP pilot launched in 1995 with one project for Whirlpool in Europe. The following year it was standard offering with six sponsoring companies in Warsaw, London, Kiev, Israel, and Holland.



Soon, corporate global expansion and student demand for global experiences pushed the demand higher, says **Andy Lawlor**, lecturer of entrepreneurship and strategy and director of global MBA projects. In 2002, 300 students applied for 160 international MAP spots.

“I was only going to be able to satisfy half of them,” he says. “It was a very exciting time, although I sure



didn’t meet the market test. We needed more and more global MAP projects and they have particular challenges to solve. There are language barriers, data barriers, visa issues, travel budgeting, and funding. But we had to get good at it very quickly.”

Today, roughly half of all MAP projects in the full-time program are international, which Lawlor says is a testament to Ross meeting the changing needs of the business world and committing the resources to make it happen.

COMPOUNDING IMPACT

Talk to a Ross MBA alumnus from the past 25 years and chances are one of the first things they'll talk about is MAP.

It's such a profound experience for students, it's no surprise that many sponsors are Ross alums. Having been in the trenches, this new generation of business leaders knows better than anyone the impact MAP has on students, so they're returning the favor and paying forward their experience.



"MAP was instrumental for me. Being an international student, I had never worked in the U.S. before," says **Rodrigo Fernandes, MBA '11**, reflecting on his MAP project at J.P. Morgan in Chicago. "It gave me a chance to

test the waters in corporate America and get accustomed to the culture and work environment."

Fernandes' MAP experience actually shifted the course of his career and sparked his decision to pursue financial services in the U.S., something he hadn't considered prior. He now serves as vice president, commercial strategy and corporate development, at Capital One, where he convinced senior management to sponsor a MAP project.

His pitch consisted of three main points: recruitment value, the infusion of new insights, and the opportunity to give back. Management agreed, and students exceeded expectations.

The first team investigated additional products and services at a specialty segment in Capital One's business portfolio. The company wanted a fresh perspective to determine whether there was a business opportunity or not. After considering the MAP team's analysis, they decided to go for it.

"This project caught the attention of senior leadership, and three to four months later we made a large acquisition in the same industry," says Fernandes. "I can't correlate all of that to MAP, but there is something to be said for that work. MAP helped bring that industry to the forefront at Capital One."

Recruitment has been another huge benefit for sponsors, he says.

"The MAP project made really good impressions, which speaks to the caliber of Michigan Ross students," he adds. "We have been able to extend offers to Ross grads who weren't even involved in our MAPs because of the positive impression our first team left."

PepsiCo's Kaufman agrees. He pitched MAP to his company as a recruiting vehicle, but the value has been much larger. PepsiCo MAP projects have encompassed both traditional projects, such as the rebranding of the SoBe drink line, as well as more unconventional assignments, including the creation of new revenue streams outside of food and beverage.

"We have seen real impact in terms of ideas actually being implemented," says Kaufman, whose MAP project as a student was with an Israeli startup. "We've adopted marketing platforms, innovations, and pursued business opportunities that originated from MAP projects. Having students come in and push our thinking is great. When you're on the inside, it's difficult to have a critical perspective. But we encourage students to really tell it like it is and challenge the status quo."

Fernandes echoes this sentiment. "There's value in the outside perspective. Those who are less familiar with a company can often find the blind spots in terms of market, industry, and competitors."

But it's not just an outside perspective that MAP brings. The student factor plays a role as well, Fernandes says.

"People want to help students," he says. "The MAP team uncovered so much in their interviews. Even an outside consulting company can't get that level of information."

STAYING ON TOP

MAP led to an infusion of action-based learning throughout Ross. Leadership crisis challenges, undergraduate experiences, and on-site consulting projects all were sparked by that pilot project in 1992, says **Jeffrey Sanchez-Burks**, professor of management and organizations and faculty director of the Office of Action-Based Learning.



"We started humbly with MAP in our Full-Time MBA Program and now there are wonderful variations on the theme customized for particular programs," he says.

"We've taken a model in one program to a whole community of learning partners. What started out as a key feature of our Full-Time MBA Program is now something that everyone at Michigan Ross can participate in."

Staying on top requires constant innovation. For example, student teams are now supported by more than faculty advisors; communications faculty help with reports and

A Memorable MAP

MAP projects are often transformative experiences, but one in particular stands out for Professor Len Middleton, a longtime MAP advisor.

After the deadly December 2004 tsunami in Asia, Habitat for Humanity wondered if it should get involved in disaster response. It wasn't an area the home-building charity had been involved in, so it asked for a MAP team in 2005 to study the question.

The six-student team saw firsthand the devastation in Phuket, Thailand, and heard heartbreaking stories in addition to working on their business analysis.

"This was life-changing," says Middleton. "Seeing the aftermath of that tsunami changed everyone. It gave the students a social ethos you really like to see. They took their business knowledge and skills and applied them in a way that could really help people."

The team presented their recommendations to Habitat, finding there was great need for an organization to take the lead on temporary and permanent housing after natural disasters. One month after

the team presented the plan, the Habitat board heeded the advice of the MAP team and created a disaster response group.

Only a few months later, the Habitat MAP team's disaster response plan was soon put to the test after Hurricane Katrina hit the U.S. Gulf coast later in August 2005.

One of the MAP team's recommendations was for a follow-up project.

"The team working on disaster response noticed there wasn't a main disaster relief council," Middleton says. "You had 10-12 major NGOs working independently and nothing was organized. The next MAP team worked with Habitat to create a plan on how to bring the major nonprofits together within 24 to 48 hours after a natural disaster. We didn't do anything magical. It just took an outside group to say, 'Time out. You all need to sit at the table together first.' Today when a major disaster occurs, the council immediately comes together to execute its response.

"I'm just so proud of the work these teams did and how they played a major role in making disaster relief better."



presentations, research support helps with qualitative analysis and surveys when needed, second-year MBAs serve as coaches, and research librarians help with data.

The new frontier today is to help students think more about what they've learned from MAP and use mindful engagement to understand how they've changed and how they will apply their learning experience going forward.

"We continue to blur the line between learning and action," says Sanchez-Burks. "We want students to articulate their learning goals, both in the analytic and leadership dimensions, and view their experiences through that lens and think about those goals throughout MAP. We prompt them to talk about their experiences and push them to seek feedback. When they get back from their summer internships, we have a reorientation to go over their original goals and how their experiences changed them."

Ross also will make wider use of online learning for MAP teams, who often find they need a crash course on a particular subject.

"We're looking at a series of online modules that teams can use on demand anywhere in the world," he says. "Sometimes a team finds they need to get some fast knowledge on surveys or interview techniques, but they're in Lima, Peru. These online modules can give them a quick course wherever and whenever."

Sanchez-Burks says the goal is to continue to make Michigan Ross the innovation hub of transformational, experience-based learning.

"We have never rested on our laurels because we came up with MAP," he says. "We've constantly tested innovations, and we're going to introduce some game-changers going forward. Leading means you have to stay out front, and that's what we intend to do."

—TERRY KOSDROSKY & LISA KISER

BIG IDEA POWERFUL EXPERIENC

New Dean Scott
DeRue discusses a
vision for Ross and
a lifetime relationship
with alumni

Scott DeRue often talks about how business school changed his life. It was the first time he realized that business could be the most powerful force for change in the world.



As an undergraduate business major at The University of North Carolina, he discovered a world of new possibilities. He started out by pursuing those possibilities in the business world, working at the Monitor Group in consulting and private equity. Through this experience, he came to realize that his real interests lay in teaching business and helping others discover their own potential and world of possibilities.

He earned a PhD at Michigan State and joined the Michigan Ross faculty in 2007. Leadership roles followed: He became director of the Sanger Leadership Center, faculty director of the Emerging Leaders Program, and associate dean for Executive Education. An authority on leadership and management, DeRue is considered one of the world's most influential business professors and is often featured in media the world over.

This summer, DeRue, 39, became the ninth dean of Michigan Ross. DeRue has already made clear some priorities for his term, including:

- Cultivating big ideas that shape the future of business.
- Strengthening Ross' position as the leader in experience-driven business education.
- Setting the standard for lifelong learning and alumni engagement.

In between trips to meet with alumni and prospective students in London and New York, DeRue made time to sit down and answer a few questions for *Dividend* readers.

The Michigan Ross mission statement reads, “We develop leaders who make a positive difference in the world.” What does that mean to you personally, and do you see it evolving or changing at all in the coming years?

SCOTT DERUE: When I look at what’s happening around the world today, I see economic and market volatility, political and social unrest, and a job market that leaves many on the sidelines. In the context of this uncertainty and unrest, we see people around the world blaming business. In my opinion, business is the answer, not the problem.

I believe that business is the most powerful force for positive change and the path to greater economic prosperity and social mobility for more people. Governments certainly can’t do it on their own; competing and often personal interests create stalemates. Nonprofits can’t do it alone; resources are too diffuse. To me, the private sector, and business in particular, plays a critical role in creating the world we aspire to and the positive change we need.

I think about companies like TOMS, founded in 2006, which today has built a collection of businesses that are not only profitable but also serving important needs in society—from poverty, to eyesight, to maternal health. I think about companies like Alphabet, better known as Google. This is a company that was founded to make information universally accessible and useful—that built one of the world’s most foremost search engines—and today is building businesses that are innovating how we communicate, how we drive, and how we work. I think about companies like Johnson and Johnson, which developed a drug for tuberculosis and, despite limited market potential, found a way to profitably work with international governments, doctors, and other partners to distribute the drug to those who need it most. These are examples of how business is changing our world in fundamental ways. Creating products and services that offer innovative solutions to real problems. Building workplaces where people are inspired by the impact of their work. And businesses that are enabling us to live more enriched and prosperous lives.

Business is more than economics. For me, there is a deep sense of purpose and an aspirational sense of mission in business. To thrive long term and maximize the positive impact on society, businesses must make money. But the economics are a means to an end, and that end is the real and positive impact that business can have on our world.

Our mission statement at Michigan Ross reflects our responsibility to develop the next generation of leaders who understand how to use business to create jobs and greater economic prosperity, enable social change that serves the full spectrum of society, and cultivate greater community engagement. Personally, I have never felt a stronger sense of purpose in life. Michigan Ross is shaping the future of business in society.



THE STATE OF BUSINESS

That leads into the next question, which is about the state of business in the world today. There is a lot of hot political rhetoric, and emotions are running high. How would you assess the state of business generally?

SCOTT DERUE: Business is strong and resolute. The political rhetoric that dominates the public discourse is, in my opinion, unproductive and a sad statement of current affairs. The political landscape has become so polarized that business has become a common enemy. In U.S. politics, for example, one party wants to blame business for the world’s social ills; the other party blames global markets and wants to build a wall around U.S. businesses to limit global trade. Neither is true or smart.

Look around the world at regions that are healthy, productive, and thriving. You will find business creating progress, for example: investments into our communities, the flow of goods and services across borders, and job growth. Without the private sector investing in people, technology, and new businesses, our communities stagnate and fall behind. For our communities to thrive, business must be strong and resolute. Personally, I think the state of business is in a much better place and has a much more positive impact on society than we give it credit for.

Everybody today seems to want to talk about the unethical behavior in corporate America and companies dodging taxes and reincorporating overseas. And you pile on top of that more rhetoric about how U.S. companies are un-American if they're moving business outside of the country. The fact is, however, that those global organizations create more value for the United States on the whole than they take away. Additionally, there is a great opportunity for government to construct better policy that will motivate companies to make more investments in the U.S., whether it is a U.S. company or a foreign-owned company. But policy-makers have to first accept that business is part of the solution, not the enemy.

There's a big debate about how accountable businesses and companies are to their communities; volatile headlines when firms move jobs or reincorporate abroad. Accountability to the U.S. and to communities is a big part of the Bernie Sanders phenomenon this year, and even a key part of Donald Trump's support. How do you see it?

SCOTT DERUE: This is where I disagree with those folks, because they're trying to buy votes, in my opinion, with highly emotionally charged rhetoric.

The idea of reincorporating in a different part of the world to save tax money is not illegal if you do it according to the law. Of course, we can debate the morality of it, but we live in a global society, and companies have customers all over the world. Let's not forget that General Motors, for example, sells more vehicles most years overseas than it does in the U.S. Technology companies such as Google and Facebook—or the entire fintech industry—are looking to global markets for growth. And these companies are free to move wherever they want as long as they are compliant.

Why do we look at the company and say, "That company is bad" or "The people running the company are bad"? Why don't we look at ourselves and say, "How do we make it more competitive so they want to stay in the U.S. and invest more money here and headquarter here?" rather than looking to find ways to punish companies for doing what makes sense for their businesses.

Right. That is the flipside. Part of the reason that they're moving away is the gridlock in Washington that has prevented solutions from being created.

SCOTT DERUE: Washington is certainly part of the reason, though I would argue that our state and local governments have earned their share of responsibility as well. The easy scapegoat is business. What we need to do is take a step back and ask, "Why are those businesses engaging in that behavior?" They're doing what they believe is best for their business—whether it's pure economics, access to talent, or access to a political sphere that is not corrosive. It's about doing good business, earning a fair return, and employing great people. I know it's painful to a community when a plant or corporate headquarters is lost. My family has felt this pain too. Foreign competition decimated the furniture industry in North Carolina. But blaming a company for making a move that is best for its long-range prospects isn't fair or smart.

Those business leaders are entrusted by their shareholders, by their employees, to do what's in the best interest of that organization. And if we, for example, in the United States, cannot create an environment where it's attractive to do business, they're going to leave.

We must create an environment where reasonable people can sit down at the table and come up with reasonable solutions for how to create a friendly and attractive market for businesses to operate—both within the United States and beyond.

So how can Ross get more involved in those debates, if you even think that we should?

SCOTT DERUE: We should be at the table for those debates. We have at Ross some of the world's foremost thought leaders on topics such as global trade, markets, competitive strategy, and talent. We can and should be driving these important conversations. How can we create the economic infrastructure that best enables businesses to grow from startups to mature organizations? How can we organize the pipeline of talent from investments in early education to higher education and beyond, to lifelong education?

We have a point of view on how you build robust talent pipelines for businesses around the globe. So whether it's the economic infrastructure, the people and the human capital infrastructure, or the distinct point of view on

how we do business across different boundaries—national borders or otherwise—we have a point of view to share that is robust, distinctive, and productive. And as a university, hopefully we can also create a safe environment for companies and policy-makers to come together and find solutions. Getting the discussion out of Washington and into Ann Arbor, or our university settings abroad, might be very helpful to the debate. Not only do we need to be at the table for business leaders and political leaders, but perhaps we can provide the table itself.

CHANGE AND OPPORTUNITY

You've talked about how your own experience in business school was a transformational experience in your life. Could you explain how that played out for you and how you hope it will play out for students coming to Ross?

SCOTT DERUE: I was raised in a community where higher education is the exception, not the norm. For me, earning my undergraduate degree was a hugely transformational experience.

Not only did I learn the fundamentals of business and the role that business plays in society, but I saw possibilities of what I could do in the world through business and through business education—to make a difference in the world, and to create opportunities for others. There is no greater tool for creating change and opportunity than through business. That's the perspective I hope our students come to appreciate.

What possibilities did you see, and how did that B-school education bring that to life?

SCOTT DERUE: One of the most transformational experiences for me was having the opportunity to interact with and learn from people from around the world. Being able to listen to and understand their experiences and their backgrounds was exciting and eye opening. It still is for me. When I meet a student who is from another part of the country, or the world, a place I have never been, my curiosity lights up. I want to know more. And it is this diversity that enables us to develop global citizens who will challenge the present and enrich the future.

I also had the opportunity to do some early-stage research with a faculty member at UNC, where I got to see how you could engage with companies to try and solve real problems. In my case, it was about how a company selects, hires, and retains people that really fit with its culture.

So we did some early research on that topic. I got to see the evolution of the ideas and just how impactful those ideas ultimately became to help HR professionals and business leaders around the world improve their talent pipelines. That research to this day is some of the most impactful research on what we call “person-organization fit,” and that started for me as an undergraduate doing work with a professor.

MAKING A LIFELONG COMMITMENT

You've already helped to position Ross as a leader in lifelong education with your role in creating the Alumni Advantage program. What are your goals for that program?



SCOTT DERUE: With Alumni Advantage, our goal is to be a lifetime partner in the success of our graduates. Whatever the educational needs of alumni might be—additional executive education, certification, or networking—we want to be a lifelong resource and partner.

The Alumni Advantage program redefines the value of the Ross degree. So now, when you invest in Ross—you come here to get your undergraduate or master's degree—you now have access to lifetime support in resources that are going to be designed to meet needs that you have at different points in your career. What school would ever offer lifetime, tuition-free access to its executive education portfolio for alumni? Ross would and has, and we're the only school in the world willing to make this commitment to our alumni.

What might be coming in the future for Alumni Advantage?

SCOTT DERUE: Our alumni are eager to engage with the school and university on ideas that matter and are shaping important events in the world. They want us to come to them, hold events that bring them together, small or large, feed and hydrate their minds, and have a thought leader who's there to share ideas and provoke conversation. This is the key for Alumni Advantage: to be your lifetime partner in your personal and professional success. Going forward, I envision engaging our alumni in important conversations about the world, and using these platforms to stimulate innovation that finds its way back into the student experience at Ross.

One of the big things happening at the school recently, of course, is the construction project, the building of Jeff T. Blau Hall and renovation of Kresge Hall (See related story, Page 16). Why was this such an important investment to make at this particular time in Michigan Ross' existence, and how is it going to improve the experience for Ross students?

SCOTT DERUE: Our physical space is critical to enabling us to develop and deliver truly transformational experiences for our students. The Blau Hall building and the renovation of Kresge Hall will create spaces for students to engage with each other, and with our faculty and staff in ways that they've never been able to do before.

For example, we are really proud of the co-working and the innovation spaces where our students will be able to come together in project teams working on real business problems, either for their classes or outside of class, and their startups. They now have unique spaces to come and co-create together in an open and innovative way.

Another example is our Center for Centers. At Ross, we have some of the world's best institutes focused on subjects like entrepreneurship, leadership development, sustainability, social impact, global operations, and a number of other topics. Now, most of those centers will be physically located together, giving us more opportunity to create and share knowledge, share insights, and collaborate on projects to develop impactful ideas.

Our physical space enables us to create and deliver student experiences that we weren't able to before, and it's due to the generosity of people like Steve Ross, Jeff Blau, and many others that we have the opportunity to create this truly transformational space for the Michigan Ross community.

Do you think the project brings us even with our peer schools in terms of facilities, or does it move us beyond them?

SCOTT DERUE: Our physical space is world class. I travel the world and routinely visit other business schools, and I have yet to encounter a campus as impressive as our own. We have not only one of the most modern and attractive facilities in the world, but the space has been created for collaboration and designed to accelerate ideas and bring them to market. It's a very open and collaborative space, and that space is—in my opinion—the best in the world for business education.

This physical space will enable us to attract the best and the brightest students. It will enable us to attract world-class faculty and exceptional staff who want to come and be a part of the Michigan Ross community. In business education, our people are our most important resource. So, to the extent our physical space enables us to attract the best talent—students, faculty, and staff—then that physical space is on the critical path to becoming the best business school in the world. Ann Arbor has been rated the best college town in America, and we have also been recognized as being the most educated town in America. Our space at Ross, which is a hub for the whole campus, reflects those identities.

If you visit the Davidson Winter Garden during the school year at about nine o'clock at night—it's fascinating. The place is buzzing with students from across the entire campus, not just Ross. Students from across campus want to come here to study and work with each other, and at the end of the day, higher education and business education is about bringing people together to learn from one another and to co-create with each other. Our physical space enables that to happen.



You've already started traveling to meet with alumni; do you expect to be doing a lot of that?

SCOTT DERUE: I will be on the road extensively, around the world, traveling to our major hubs where we attract students and where our alumni choose to live, work, and play. For me personally, having the opportunity to engage with our prospective students, alumni, and corporate partners is one of luxuries of this job. I get the opportunity to engage with people every day who love the University of Michigan and the Ross School of Business. It doesn't get any better than that.

How will upcoming events be communicated to alumni?

SCOTT DERUE: The best thing people can do is engage with their local Michigan Ross alumni clubs around the world. They are the prime points of contact to create events and engage with the school. In addition, the Alumni Advantage webpage (michiganross.umich.edu/alumniadvantage) offers a great deal of information on ways alumni can engage with the school, and we will be adding more to it over time. You can also engage with me on Twitter (@scottderue), where I routinely share news about our school and celebrate our people.

And if alumni want to reach out to you personally with a question or concern, are you open to that? And if so, in what format?

SCOTT DERUE: I recently sent my personal email (dsderue@umich.edu) to every single alum in an introductory note. People can email me or engage with me on social media. I am excited and eager to hear from you.

Engaging with our alumni makes me proud to be a part of Michigan Ross because our alumni are doing amazing things around the world. Having the opportunity to engage with them, hear their stories, and hear the impact that Michigan Ross had on their life, is inspiring for me. And then I can bring those stories back and share those with our current students, which helps them see possibilities that they may not otherwise see.

I would encourage everyone when I visit your town to come out and engage with me. I want to build those relationships; I want to learn from our alumni; and I want to celebrate Michigan Ross with you. Go Blue!

LIFE, ADVENTURE, AND TAKING RISKS



On a more personal note, a lot of people reading this probably won't know what a big adventurer and outdoorsman you are, active in mountain climbing and water sports. What is it that appeals to you about adventure and the outdoors?

SCOTT DERUE: I love to challenge myself, and I love venturing into the unknown. Whether it's going to a new city and running and getting lost and finding my way back to my hotel, which is pretty common, or climbing the world's tallest mountains. For me, it's about living a life of adventure and exploration—personally and professionally. With mountaineering, it is also about working with other people to accomplish something really aspirational and really challenging. I love being part of a team.

And what we do here at Ross is no different. We have big opportunities before us; we have big challenges before us; we have the unknown; and if we work together as a team, we can and will accomplish amazing things.

How does that fit in with your attitude about taking risks?

SCOTT DERUE: I've never been afraid of risk. I'm smart about the risks I take and I make sure I'm prepared and thoughtful, but without risk, we're not growing and we're not pushing our limits.

Think about people who achieve amazing accomplishments, whether it be in business or otherwise. In all cases, those people embraced risk and ventured into the unknown.

Have you ever found yourself just staring at fear, when you got yourself into a spot where the fear was almost overwhelming?

SCOTT DERUE: It's ok to experience fear. If you're not afraid, you're not stretching yourself. The important thing is how you respond to that fear. Does it paralyze you? Or do you embrace it and act on it? I choose the latter. I ask myself: Did I prepare and have I controlled what I can control? If the answer is yes, I accept that I cannot control what I cannot control, and I embrace my own fears and move forward.

Are you a leader on a mountain climb, or more of a team member/follower?

SCOTT DERUE: Mountaineering, like life, requires, at various points, all of us to lead. You may or may not have a formal leader, but leadership is not a title. We all know people who have fancy titles but are not leaders. Leadership is a behavior that anyone can step up and engage in.

In mountaineering, there are times when I'm leading and there are times when I'm following. And honestly, the same is true in business, the same is true in higher ed, and the same is true with the Ross School of Business. My job here at Ross is to surround myself with really talented people and empower them to lead. In many cases, I will be following their lead. In other cases, I'll be the one leading and setting our course. As dean, leadership for me is about hiring great people, ensuring we share a common vision and core values, and empowering our people to work together to achieve our vision. In that process, I will lead and I will follow.

—BOB NEEDHAM



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GETTING TO KNOW SCOTT DERUE

Education:

BS in business administration, University of North Carolina–Chapel Hill; PhD in management, Michigan State University.

Awards:

Top 50 Most Influential Business Professors, MBARankings.net; Early Career Achievement Award, HR Division of the Academy of Management; Executive Education Teaching Impact Award, Stephen M. Ross School of Business.

Family:

My beautiful wife, Kathy. My chocolate lab, Oki. And the cat we saved from the streets of Georgia, Tyson.

Favorite Transport:

Mizuno Waverider (running shoes).

Favorite Author:

Michael Lewis.

Favorite Dish:

Grilled fish w/mango salsa.

Favorite Movie:

“The Endless Summer,” 1966.

Most Influential Person in Life:

Suzanne DeRue — my mom — she taught me the values that still guide me today.

Most Admired Figure in Business:

Yvon Chouinard, founder and CEO of Patagonia. He has built a company with exceptional financial success, strong community engagement, and a culture and workplace where individuals thrive. But even more impressive, he has been able to keep the company's core values at the center of the organization through all stages of growth, which is remarkable in today's modern business environment.

Most Admired Figure in Education:

John Dewey.

Guilty Pleasure:

Blank Slate Ice Cream, Ann Arbor.



LISA MAZZONI

2Q

Lisa Mazzoni, MBA '04, is living the dream many business students think about when they are sitting in class. Get some practical experience working for others, plus some experience in an academic setting where a sharp mind can explore and experiment while learning, and then strike out and start a real passion business that revs up the heart every morning.

She has gone from working in the hospitality industry at Marriott Hotels, to Michigan Ross, to a post-grad consulting role at Deloitte, and now entrepreneurship—starting a California winery that's an outgrowth of a long-held family vineyard and named for a beloved aunt.

Hearing Mazzoni talk about Zialena, the winery she started with her brother in 2011, and the combination of skills and experiences she calls on to run the business, one can hardly help but see the parallel found in the complex processes and factors that go into producing the fine cabernet that is at the center of their brand.



“Having experience in hospitality coupled with a lot of consulting experience has set me up to create amazing customer experiences while also running a successful business,” Mazzoni said.

As a new generation of millennial consumers starts to discover wine, the ability for a business owner to successfully create those meaningful experiences is more valuable than ever.

“This new generation of wine drinkers expect to engage with products and brands differently,” Mazzoni said. “That translates into more unique experiences with Zialena. It’s no longer a simple tasting, but maybe a vineyard tour to understand where the grapes came from, or a farm-to-table food and wine night. Our space is designed to adapt to those changing needs.”

Mazzoni said she fondly remembers sitting with Secretary of State Madeleine Albright, while at Ross, as she answered 20 Questions, so she was ready to tackle the challenge herself.

1. What is a book you’ve read recently?

My mom bought me Albright’s *Prague Winter* for Mother’s Day, and I’ve enjoyed reading it, picturing this fascinating woman who sat before me over a decade ago.

2. First Album?

Footloose soundtrack. I saved my money and had my older cousin drive me to the music store.

3. What’s most played on your MP3 player?

Black Eyed Peas. Maybe a bit dated, it’s motivating running music.

4. Most adventurous thing you’ve done?

I spent the summer between first and second year of business school traveling

around New Zealand and Australia by myself. Lots of adventures along the way including the Skyline Luge in Queenstown and snorkeling the Great Barrier Reef.

5. What is your guilty pleasure?

I can’t believe I’ll admit it, but I still watch *The Bachelor/Bachelorette* series. It debuted when I was at Ross and we used to have watch parties. The drama always entertains.

6. Describe your first job.

I worked as a cashier in a local pharmacy that also doubled as a gift shop. It’s where I learned my love of customer service.

7. Best business decision?

To start Zialena winery!

8. What advice would you give yourself 10 years ago?

Save your money!

9. The one thing you learned in business school that you’ll never forget is...?

Investing is about hope.

10. Favorite comfort food?

My Zia Lena’s raviolis. This is where the starburst on our label comes from: her ravioli stamp. I make them now once a year at Christmas. It is a three-day process!

11. Three people living or dead you’d have over for dinner?

My Zia Lena, so we could tell her about the winery (she’d never believe it!). Both of my grandpas because I never asked them enough questions while they were here.

12. Best trophy or award you’ve ever won?

I was Rookie of the Year for our region my first year with Marriott. It gave me confidence to try new things.

13. What did you want to be when you grew up?

I thought I wanted to be a pharmacist based on my job at the pharmacy and I actually went to pharmacy school. Fortunately, I learned before graduation that what I really loved was running a business and customer interaction.

14. Favorite sport to watch?

Michigan football followed closely by Cubs baseball (I married a Chicagooan).

15. What gets you out of bed in the morning?

Literally, my three-year-old. But my motivation truly is Zialena and interacting with our customers. I love the anticipation of who I will meet in any given day and get to share a piece of their vacation.

16. Where is your ideal retirement spot?

Can I split my time between the Sonoma Coast and the Colorado Rockies?

17. What are you afraid of?

Snakes. And all the things that could go wrong in the next five years as we grow.

18. Most influential Ross professor?

Gautam Kaul. His passion was inspiring.

19. Favorite thing happening in the wine/beverage industry right now?

Diversification. Wineries are into beer, and breweries are into spirits. It feels like the industry is finally recognizing that we all share the same customer and there’s room for everyone.

20. Favorite place to drink a glass of Zialena wine?

In the vineyard after a long day—a glass of Zinfandel.

—CHRISTOPHER ANKNEY

—PHOTOS BY ALEXANDER RUBIN

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From the Locker Room to the Boardroom: A Q&A with Warde Manuel

He may have just started working here in March, but for **Warde Manuel**, BGS '90/MSW '93/MBA '05, serving as the University of Michigan's Donald R. Shepherd Director of Athletics is his homecoming.

As U-M's athletic director, Manuel has returned to his old stomping grounds. He was a student-athlete here, playing football under Bo Schembechler and later running track. Post-graduation, Manuel served nearly a decade in various roles as a U-M athletic administrator before stints at the State University of New York at Buffalo and the University of Connecticut, where he was the director of athletics.

The New Orleans native is now the 12th athletic director in U-M's history, leading one of the most storied athletic programs in the country. With 31 teams, more than 900 student-athletes, and a worldwide fan base, U-M athletics transcends the borders of Ann Arbor. Beyond the scoreboards and energetic crowds, intercollegiate sports is a business. Manuel is responsible for running a \$153.6 million operation as well as producing the next generation of leaders. And that is no easy feat.

Dividend sat down with Manuel for a one-on-one chat. During our discussion, he shared his thoughts on the value of an MBA degree, why he chose to attend Michigan Ross, how business and sports go hand in hand, and more.

So how does it feel to be back at Michigan?

WARDE MANUEL: I keep trying to think of words that really get to depth of the feeling of being back here in Michigan, in Ann Arbor, at a place I love, doing the job I love, working with student athletes, coaches, faculty, staff. I can't find the right words so I always say awesome, joy—overwhelming joy.

You have a lot of history here at Michigan. You attended school here, played football here, got your Executive MBA degree here. Why did you decided to pursue a graduate business degree?

WARDE MANUEL: Well, mainly because I wanted to get a great education at the business school and also understand this world we live in. I wanted to learn the business principles that will help drive success

in my career, and it's been an invaluable part of my education. In my understanding of how to lead, I learned how to manage, how to develop and invest the resources in a proper way to make us stronger and make us better as an athletic department.

My interest in getting this degree started because when I was here, we became a part of the Sports Management Institute, which still exists—I'm on the board now. It's made up of six universities. The athletic departments and the business schools at Michigan, Texas, North Carolina, Notre Dame, Georgia, and Southern Cal collaborate. From my participation in that program and learning from faculty, it piqued my interest in getting more education as it relates to business so, in 2003, I applied (to Ross) and started in August of that year.

What was it about Ross that made you want to come here and pursue an MBA?

WARDE MANUEL: It's one of the top business schools in the world. I didn't even think of applying anywhere else, because I knew the depth of the faculty—world-class individuals who were teaching right here in Ann Arbor. And for me, it was a great combination of being here, working in athletics, and being able to get my MBA from Ross.

What did you learn? What was the most valuable thing you took with you that is still valuable today?

WARDE MANUEL: There are two things that I always carry with me. One is learning to lead. Being a part of organizations and in areas where you're not an expert, I learned to lead by asking questions and knowing which questions to ask. The second thing I learned is the social impact—how what you do is bigger than athletics. It's the impact you can have in the world.

Was there a faculty member who stood out to you or who really impacted you in some way?

WARDE MANUEL: All the faculty members were great. The person I knew best going in was **Tom Kinnear**. He and I are still friends to this day. He influenced me to go into this program and get my MBA from the very beginning. **Len Middleton** was another key person during my time here who really helped to drive the understanding of the social impact and how we can better drive success by holding that as a principle and not just producing profits. There are many others. There's not one faculty member who didn't impact me during that time.

Considering you didn't come from a "traditional" business background, can you talk a bit about the intersection of sports and business?

WARDE MANUEL: First and foremost, the sports industry is a billion-dollar industry. Every dean, every administrator within this university, is operating on business principles. Even though we're in education, we're a multi-billion-dollar organization and a university that produces and spends a lot of resources to educate, but also on research, sports and the like. We sell. We have expenses. We put together contracts. We do customer service. We operate as any business would on a day-to-day basis; we just happen to do it in an educational environment.

What is a typical day like for you?

WARDE MANUEL: There are no typical days [laughs]... That's what I see after being an AD for now my eleventh year. Standard meetings, preparation to plan for events, outreach to our fans and our donors. There are events that take place throughout the week to connect with people who care deeply about Michigan and Michigan athletics. So, it's never a typical day.

With so much experience as an athletic director, how would you say the landscape of collegiate sports has changed from a business perspective?

WARDE MANUEL: I think in the last 30 years, between when I first got here and now, the impact of television has been significant in terms of revenue produced and aspects and ability for us to grow and support over 900 student-athletes and 31 teams. That's probably been the most significant growth in terms of what we do. The second piece is probably the changes over time in support of and focus on the academic outcomes of our student athletes, which has always been a hallmark at the University of Michigan. But I think in the college landscape, there have been significant changes over the past 30 years in doing that. Lastly, the impact of social media, the Internet, and the visibility of what we do has really changed the way our customers—our fans—see, view, and access Michigan athletics.


—BRITTANY SMITH

—ILLUSTRATION BY NIGEL BUCHANAN

—PHOTO BY DAVID LEWINSKI

MORE ADDITIONAL QUESTIONS AND ANSWERS WITH WARDE ROSSDIVIDEND.COM





Robin Washington, BBA '84, was ranked sixth on *The Wall Street Journal's* 2014 list of Top Performing CFOs in the S&P 500. She has also been named one of *Treasury & Risk's* 30 Outstanding Women in Finance and *Black Enterprise's* 75 Most Powerful Women in Business.

Washington is the executive vice president and chief financial officer of biopharmaceutical company Gilead Sciences Inc., where she oversees the global finance and information technology organizations. Along with her roles at Gilead, she serves on the board of directors at Honeywell International and Salesforce.com.

She says, "My job is very dynamic. I work at the intersection of science and business in a regulated environment, which is complex, never dull, and constantly changing."

ROBIN WASHINGTON: APPRECIATING POSSIBILITIES

Gilead CFO Robin Washington's work adds hope for suffering patients and promising students

Washington is also personally dedicated to making a difference, especially in business and ensuring that others get access to a business school education.

As her career progressed from executive positions at PeopleSoft to serving as CFO of Hyperion Solutions (which was acquired by Oracle), before ultimately landing at Gilead, she saw opportunities to address a pressing business issue: lack of diversity.

“Diversity is a key competitive advantage. Getting different types of people and perspectives engaged in the decision-making process is so important. We’re gradually seeing more diverse role models in business, but we’re still not where we need to be. We need more diverse representation at the senior management, C-suite, and board levels around the world.

“The best thing we can do in terms of diversity and inclusion is simply to insist that more is better. Statistics show that diverse workforces are more productive and demonstrate enhanced performance, which translates into improved long-term shareholder value.”

Washington spent time with Gilead’s HR team looking at statistics for her organization. While they found gender parity at the more junior levels, women serving in more senior roles was much more limited. She decided to take action.

Washington has long tried to be an informal mentor, or sponsor, to women and minorities during her career. “The majority of my senior staff and personal sponsors have been male, and they are great, but I felt responsible to sponsor and create a more diverse pool of leaders better reflecting the global environment we operate in and the patients we serve,” she says.

Washington established the Women’s Leadership Forum for the CFO organization, which houses finance and IT. The forum works on skill development and facilitates discussion with female leaders from across Gilead and outside the organization.

“I want the women in my organization to hear the stories of success and failure experienced by these leaders in advancing their careers and balancing work and family. The more you expose individuals to challenges they can relate to, the more you motivate them and allow them to realize that they too can be successful. It really inspires them as they travel along on their personal and professional journeys.”

Washington’s own journey came with its fair share of unexpected turns. In fact, she came to the University of Michigan with an intent to study English as a pre-law major, but an internship at Manufacturers Bank led her to apply to the business school.

Washington was passionate about her change in direction, but it wasn’t exactly smooth sailing. “I got my first C ever in accounting and was really devastated. I had trouble relating it to ‘real life,’ but accounting is the language of business. It’s a really critical skill.”

She continued her journey undeterred, becoming a Certified Public Accountant and earning an MBA from Pepperdine University’s Graziadio School of Business and Management.

Washington really wants others to follow in her footsteps, and decided to do her part to encourage students from many different backgrounds to pursue business school.

Washington established the Moyer-Washington Foundation Endowed Scholarship Fund for Ross BBA students from underrepresented high schools in honor of her late father, Alex Moyer Jr.

“My dad encouraged me to pursue accounting,” says Washington. “He was a successful entrepreneur who viewed education as the key to empowerment for any individual in the world. I want to do my part to sponsor students so they can get the same University of Michigan education that was so valuable to me.”

Washington grew up south of Detroit, in the city of Ecorse. She attended boarding school in Ohio, where she learned to interact with different cultures and appreciate the diversity of her classmates who hailed from as far away as Honduras and Iran. She continued to flourish among the diverse student population at U-M.

“The Black Business Students Association was a fantastic resource,” recalls Washington. “We had individuals come back and tell us about their success. Students need exposure to leaders with similar backgrounds and to hear about their journeys as they decide what they want to do.”

Regarding her own interactions with students, Washington says, “I want to let students know if you work hard anything is possible. My Michigan education was very much a part of my success. I am honored to give back and see others benefit from the education that I got.”

— LISA KISER

— PHOTO BY MARGO MORITZ



TOKYO 1



CHICAGO 2



TOKYO 3



NAGOYA 4

Alumni Activities



TOKYO 5

1 L to R: Masaki Mizutani, MBA '05; Eric Lin, MBA '14; and Kenji Ogawa, MBA '14 at the Global MBA Japan Class of 2017 Farewell Party in Tokyo. 2 Members of the Ross Alumni Club of Chicago join former U.S. Rep. Mark Kennedy, MBA '83, during a special event at Fleming's Steakhouse. 3 L to R: Hiroko Mizuno, MBA '07; Kazu Nishii, MBA '08; and Shunsuke Tanahashi, MBA '07 at the Global MBA Japan Class of 2017 Farewell Party in Tokyo. 4 Ross alumni from Korea and Japan at the wedding of Risa and Satoshi Toyama, MBA '11 in Nagoya, Japan. L to R (front): Hiroshi Yonekura, MBA '11; Kyuseo Lee, MBA '11; and Moo Hoon Kang, MBA '11; L to R (back): Yohei Otuka, MBA '11; Mark Tarui, MBA '11; Mike Nishio, MBA '11; Satoshi Toyama (groom), MBA '11; Risa Toyama (bride); Peter Kim, MBA '11; Johnny Watanabe, MBA '11; JD Park, MBA '11; Jae (Young) Joo, MBA '11; and Ko (Kosuke) Suzuki, MBA '11. 5 Alumni and students at the Global MBA Japan Class of 2017 Farewell Party in Tokyo.



TOKYO 6



HONG KONG 7



BEIJING 8



BEIJING 9



BOSTON 10

6 Alumni pose for a photo during the Ross Dinner at the Pan-Asia Reunion in Tokyo, Japan. 7 Michigan Ross Alumni Club of Hong Kong members with students for a casual gathering hosted by The Garage Society, one of the leading coworking incubators in Hong Kong. 8 Team Wolverine at the 2016 Xuanwu Lake National Rowing Championship. 9 L to R: Weidong Wang; Kai Zhao, AM '08; Pei Liu, M.U.D. '13; and Han Wu at the 2016 Xuanwu Lake National Rowing Championship. They are members of Team Wolverine, a rowing team created by the Michigan Ross Alumni Club of Beijing. 10 L to R: Jamie Simchik, MBA '15/MUP '15; Alexis Hyder, MBA '11; Gus Simiao, MBA '07; Boris Yovchev, MBA '12; Brian Wahlgren, MBA '10; Grace Tkach, MBA '03; Elizabeth Terry, MBA/MS '03; and Jim Hanley, MBA '94, at a Michigan Ross Alumni Club of Boston Board meeting in June.



PERU 11



PERU 12



PERU 13



PERU 14



PERU 15



PERU 16



SOUTHEAST MICHIGAN 17

11 L to R: Michigan Ross Alumni Club of Peru members Erick Figueroa, MBA '13; Enrique Castellanos, MBA '91; and Luciano Bedoya, MBA '03/MEng '03, during a Ross Alumni Reunion. 12 L to R: Erick Figueroa, MBA '13; Rosa Salazar, MBA '13; Olga Egorova, MBA '13; Pedro Callirgos, MBA '13; Maria Gracia Arrarte, MBA '13; Clive Ramsey, MBA '13; and Orson Kerrigan, MBA '13, at a Ross Alumni Reunion. 13 L to R: Christian Rodriguez Ramos, MBA '11; Fernando Fort, MBA '96; Luis Gutarra, MBA '06; Wilfredo Durand Basurto, MBA '07; and Roger Henriquez Casanova, MBA '12, at a Ross Alumni Reunion. 14 L to R: Carlos Caballero, MBA '97, and Juan Jose Rossel, MBA '01, at a Ross Alumni Reunion. 15 L to R: Olga Egorova, MBA '13; Orson Kerrigan, MBA '13; Maria Gracia Arrarte, MBA '13; Rosa Salazar, MBA '13; Pedro Callirgos, MBA '13; Shila Arias, MBA '12; and Erick Figueroa, MBA '13, at a Ross Alumni Reunion. 16 L to R: Sergio de Cardenas, MBA '11; Christian Rodriguez Ramos, MBA '11; Roger Henriquez Casanova, MBA '12; Pedro Callirgos, MBA '13; Rosa Salazar, MBA '13; Orson Kerrigan, MBA '13; Fernando Fort, MBA '96; Maria Gracia Arrarte, MBA '13; Olga Egorova, MBA '13; Clive Ramsey, MBA '13; Erick Figueroa, MBA '13; Luis Gutarra, MBA '06; Carlos Caballero, MBA '97; and Juan Jose Rossel, MBA '01, at a Ross Alumni Reunion. 17 L to R: Holly Gwizdz, MBA '11; John Shallcross, MBA '12; Rema Nasif, BBA '03; and Nessa Feller, AB '97, during an "Entrepreneurship Panel: Insights Into Successful Startups" event in Birmingham, Mich. 18 Members of the Michigan Ross Alumni Club of Southeast Michigan kicked off the summer season with their Annual Summer Happy Hour in downtown Birmingham.



SOUTHEAST MICHIGAN 18

Class Notes



John Thieme Thomas, BBA '57/ MBA '58, was recently named

Winnetka/Northfield, Ill. Man of the Year. This recognizes his extensive and ongoing public service over the past 25+ years. He has served on local government elective and appointed boards as well as many pro-bono boards. He has been, and continues to be, active in aiding others with addiction challenges.



Eric Flamholtz, PhD '69, founded Management Systems Global Affiliates (mgtssystem.com) to extend his career legacy by training, licensing,

and certifying consultants and professors around the world in the frameworks, methodologies, and tools he has developed, validated, and applied during the past 40 years. These methods and tools are described in a recent book titled *Growing Pains: Building Sustainably Successful Organizations* (Wiley, 2016). The firm currently has affiliates and associates in Argentina, Bulgaria, China, Israel, Italy, Kazakhstan, Poland, Russia, Ukraine, and Vietnam. He also recently co-authored *Building Family Business Champions* (Stanford University Press, 2016).

Tom Brainerd, BBA '78/MBA '80, has been named CFO of New Saint Andrews College, a small liberal arts college in Moscow, Idaho.

Mark Vonderembse, PhD '79, retired in 2013 after 38 years at the University of Toledo, with more than 150 publications, and 50 research grants totaling more than \$15 million. A study done in 2009 ranked him third in the world in publications in the *Journal of Operations Management*, which is regarded by many as the best journal in the field. He is publishing his fifth book, *A Healthcare Solution: A Patient-Centered, Resource Management Perspective*, this fall. He is also under contract for a new book on higher education.

An article by **Howard Prager, MBA '80**, titled "How Do We Fix Our Leadership Crisis?" was chosen as the feature article of the March 2016 *TD (Talent Development) Journal*. He is president of the Advance Learning Group, has written extensively on leadership, and won awards for leadership development. Read the article here: tinyurl.com/gr6t5n3.

Bill Schwartz, BBA '81, was recently named director of Clinical Application Services at Children's Hospital Colorado. Children's Colorado, located in metro Denver, was recently named one of the nation's Top 10 Best Children's Hospitals on the *U.S. News & World Report* 2016-17 Honor Roll. As director, Bill leads the implementation and support of the clinical software systems the hospitals and clinics use to care for kids at all ages and stages of life. Previously, Bill spent the last 30 years in software engineering and enterprise IT management, including seven years in senior healthcare IT leadership roles at Catholic Health Initiatives.



Eve M. Tai, BBA '83, was recently appointed senior director of philanthropy, western region, for the Humane Society of the United States (HSUS). Based in Seattle, Eve will be responsible for raising major gifts to support animal welfare efforts across a wide variety of sectors. Previously, Eve was director of philanthropy for The Nature Conservancy's Asia Pacific region. A lifelong animal lover, Eve's work at HSUS is dedicated to the memory of her beloved three-legged pit bull, Olive. Eve spends time practicing yoga, riding dressage, and drinking Washington state wines. She can be reached at eveseattle@gmail.com



Rob Bick, BBA '83/ JD '86, a shareholder at the full-service law firm of Williams, Williams, Rattner & Plunkett P.C. in Birmingham, Mich., received the "All-Star

Attorney of the Year" award at the ACG Detroit M&A All-Star Awards, presented by the

Association for Corporate Growth. His law practice focuses on corporate law, mergers & acquisitions law, private equity law, corporate governance, and business planning.



Jennifer L. Sherman, BBA '86/JD '89, has been named president and chief executive officer of Federal Signal Corporation

(NYSE:FSS), a leader in environmental and safety solutions. She also joined the company's Board of Directors. Since joining Federal Signal in 1994, Jennifer has held a variety of positions including chief operating officer, chief administrative officer, senior vice president, general counsel, and secretary. She is also a director of Franklin Electric Co. (NYSE:FELE).

Roshunda Price, BBA '87/JD '93, has joined Jaffe Raitt Heuer & Weiss, P.C., as a partner in the firm's corporate and real estate practice groups. She will focus on advising clients on a variety of corporate and real estate matters. Prior to joining Jaffe, she served as vice president and assistant general counsel of the Detroit Medical Center and clinical assistant professor and director of the urban communities clinical law program at the University of Michigan Law School.

Eric Schoenfeld, BBA '87, has been named co-chair of Tannenbaum Helpern's real estate, construction, and environmental law practice. Eric represents national and regional developers, private equity funds, and property owners in connection with real estate investments, including sales and acquisitions, debt and equity financings, development, and leasing. He also represents corporations and other organizations in their leasing of office, retail, and industrial space for business operations and related facility management activities.

Sarah Raiss, BS '79/MBA '87, was named to the National Association of Corporate Directors' Directorship 100 list for 2015. This list names the most influential directors and governance-related professionals. Sarah was

one of 50 corporate directors to be named. A gala celebration took place in New York last December. For more information: www.nacdonline.org

Paul Selvin, BBA '89, a managing director of wealth management for Merrill Lynch in New York, was named by *Barron's* magazine to its 2016 list of "America's Top 1,200 Advisors." The tribute recognizes that he is among the nation's best in successfully working with clients to help them manage wealth and achieve their financial goals.

Valerie Barker Waller, MBA '89, has been named senior vice president and chief marketing officer for YMCA of the USA, based in Chicago. In this role, she is responsible for identifying and creating opportunities to build the Y brand through strategic partnerships, public engagement, and collaboration with YMCAs across the country. Her previous positions include leadership roles at the United Way of Metropolitan Chicago, United Airlines, and the Museum of Science and Industry. She would love to have classmates and other Ross alums share their "Y" stories with her and welcomes the opportunity to connect at valerie.waller@ymca.net.

Amir Dan Rubin, MBA '96/MHSA '96, has accepted a position with UnitedHealth Group and its Optum organization, the nation's leading health benefits and services organization, as executive vice president, Optum, and CEO, Optum 360. Previously, he served as president and CEO of Stanford Health Care, the \$4 billion integrated health system affiliated with Stanford University.



Chad Albrecht, MBA '97, and co-author Steve Marley, both sales compensation experts and principals at global sales and marketing firm ZS, have published a

book, *The Future of Sales Compensation*. The book covers a variety of topics, including the debate over the importance of intrinsic versus extrinsic incentives; the move toward more personalized, technology-enabled incentive compensation models; and the potential of predictive analytics.



Five Ross MBA grads from the early '90s recently got together in Detroit, including one from Australia. Pictured are **Scottie Settle Knight, MBA '92**; **Andrea Staines, MBA '90**; **Allyson Farquhar-Boyle, MBA '91**; **Joe Boyle, MBA '91**; and **Donna VanAntwerp, MBA '90**. While the others live in the Detroit area, Andrea lives in Queensland, Australia, where she works as an independent company director around Australia.

Kartik Gada, MBA '01, has published an online book/white paper about new interconnections among technology, finance, and governance. He is planning a related campaign that will involve video contests and other research papers. Read more: atom.singularity2050.com

Nirav Mehta, MBA '04, co-founded Thought Identification Inc., developer of a three-factor search engine algorithm that amplifies the electromagnetic field of a mobile device, enables photonic quantum interference to detect brain waves, and matches and correlates the brain activation pattern to an existing repository of such data to precisely and accurately identify thoughts. For a demonstration, contact him at nirav@thoughtidentification.com.

Jeevtronics, a startup co-founded by **Aniruddha Atre, MBA '06**, and **Ashish Gawade, MBA '05**, won second prize at the Tata Social Enterprise Challenge in January, was runner-up at Sankalp Global Summit in April, and won first prize in the Lightning pitch competition at the International Knowledge Millennium Conference in November. Jeevtronics is an Indo-USA joint venture that designs and implements world-class yet affordable medical devices for underdeveloped and rural markets.

Wall Street veteran **Shama Zehra, MBA '07**, has turned her entrepreneurial energy to the lifestyle social-travel world with the launch of the Jetzy app. Zehra co-founded Jetzy to connect and reward people who love to travel and live life to the fullest. The idea for the user-to-user social app is to allow people to “travel like a local” by discovering hidden gems and meeting people with similar interests. Zehra, who has worked for Goldman Sachs, Morgan Stanley, and her own boutique firm, says developing Jetzy combined her three biggest interests: “I love to travel, build businesses, and connect people,” she says. “This brings together all three.”



Cristina Calzadilla, MBA '13, and **Peter Hugick, MBA '14**, who met at Ross, were married April 16 in San Juan, Puerto Rico. Pictured: Back row, left to right—**Matthew Mullen, MBA '14**; **Austin Leung, MBA '14**; **Cesar Medina, MBA '15**; **Alvaro Ore, MBA '13**; **David Clark, MBA '12/MPA '13**; **William Foss, AB '07/MBA '12**; **Anik Ray, MBA '14**. Middle row, left to right—**Kethaki Nair, MBA '15**; **Jessie Crozier, BSE '05/BSChE '05/MSE '06/MBA '14**; **Cristina Hugick (formerly Calzadilla), MBA '13**; **Peter Hugick, MBA '14**; **Jae Lee, MBA '14**. Front row, left to right—**Tong Huang, MBA '14**; **Stephanie Dolan Foss, MBA '13**.

Bryan Mortenson, MBA '09, and **James Skubik, BA '95**, have formed Long Lake Capital Management LLC. The firm is headquartered in Bloomfield Hills, Mich., and focuses on designing and implementing tailored investment portfolios for individual clients.

Eric Denys, MBA '10, has been recently appointed vice president of supply chain at Wolverine Advanced Materials. Wolverine is based in Dearborn and is a leading developer of high-performance materials for brake noise and sealing applications. Prior to this, Eric was the vice president of Global Sales for the Wolverine Brake business.



Tonya Wardena, AB '02/MBA '11, and her husband have started their own whiskey distillery, called Motor City Gas, in Royal Oak, Mich. Motor City Gas manufactures a constantly evolving variety of small-batch whiskies, born from local ingredients and crafted by local hands from grain to glass, including American bourbons, single malts, moonshines, and more. More information: facebook.com/MotorCityGas.



Alex Mitchell, BBA '11, of Washington, D.C., released *Building Digital Products*, a book for product managers in technology. Alex works for

Vistaprint Digital, managing their website and domain name products. More information about the book can be found at buildingdigitalproducts.com.



Jimmy Schneidewind, MBA '15/MPP '15, and **Andrew Bracken, BBA '08/MPP '13**, climbed Mt. Kilimanjaro in Tanzania, Africa's highest peak at 19,341 feet, in February 2016. Jimmy recently completed a fellowship with the 2Seeds Network in rural Tanzania working to increase productivity and profitability of poultry farmers, and he now works as a research assistant for the William Davidson Institute. Andrew works with Fintrac Inc. in Washington, DC, in international agriculture and food security.



Roberto Larios, MBA '14, became COO of the City Employees Club of Los Angeles (cityemployeesclub.com), a subsidiary of the Los Angeles

City Employees Association Inc.—one of the nation's largest voluntary employee benefits association. Larios is the second COO for the organization and first Hispanic (Mexican-American) in its 87-year history. Larios previously served as vice president of operations for the City Employees Club since 2012 and has been employed there since 1998.



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In Memoriam



Aveek Guha, MBA '03/BSE '95, 42, passed away in March.

He worked for SAP Americas, Booz & Company, and most recently MJ Holding Company as head of Global Strategy/M&A. He was also the founder of MBA Daycamp, located in Chicago. Aveek is survived by his wife, Jessica; two daughters, Zoe and Layla; and his parents, Subhendu and Jayashree Guha.



Swimming with the Sharks

Brian Shimmerlik, BBA '05, secured a record deal on 'Shark Tank' after pitching his disruptive vending machine concept

It was 2002, my sophomore year at Ross, and I finally had the freedom that comes from having access to a car. I explored greater Ann Arbor and surrounding areas, and in no time I was totally hooked on Hiller's grocery store. I took weekly trips to stock my fridge, and it struck me that there were tens of thousands of students in Ann Arbor without access to cars—yet there were no quality grocery stores on campus. I started Big House Delivery with a Ross classmate. The goal was simple: connect students with quality products they want.

Nearly 10 years later, the same concept struck again. I was riding home in a New York City taxi and I thought: There should be products here! Over the next few years, I went from a finance associate unhappy with my career to co-founding Vengo, raising \$7 million, creating 14 jobs, and running my own company. I even appeared on "Shark Tank" and "won" big – scoring \$2 million, the second-biggest deal anyone had seen on the show.

The idea of a taxi vending machine immediately hit a ton of resistance. As I searched for grant money to get started, I found out that NYC had its own business plan competition. Out of 270 companies, Vengo won the NYC Next Idea competition and received \$17,500 of seed capital.

Despite having no product or team, this initial grant and momentum pushed me into the market. Talking with prospective brands that make physical products, I quickly learned how brick-and-mortar retail was declining, and yet how challenging it can be for physical-product brands to drive e-commerce orders. This real market and customer feedback drove our pivot from the initial taxi concept to Vengo, and we began setting up interactive retail and sampling experiences inside colleges, gyms, and hotels.

I sought out partners who were complementary to my financial skill set, and we completed our first prototype of a mini, high-tech, interactive vending machine. I leveraged relationships from my time in

Ann Arbor and New York to put together a star-studded \$1 million seed round, enabling our first key hires.

As valuable as my experience at Ross was, a large portion of my job you just can't learn in a classroom. You have to get out of the building and into the market. You have to listen, learn, and you need a high level of self-awareness and emotional intelligence. You need to be highly competitive, aggressive, and hardworking. While at Ross, I wasn't able to get Big House Delivery off the ground. Each grocery store that turned us down, however, helped me learn what it takes to understand your customer and launch a successful company.

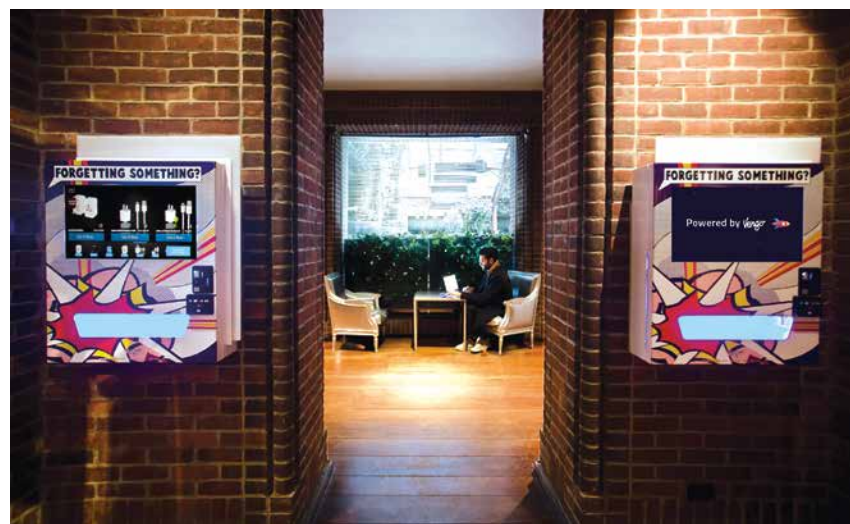
Two fundamental academic concepts I learned at Ross helped drive Vengo to successful positioning in the market. First, analyzing the vending industry, we saw a large, slow-moving industry that is highly vertically segmented. We identified a clear opportunity for vertical integration. We wanted to create both the physical vending machine and the software to exclusively manage and control the hardware. We then went straight to the end consumer, schools and students, skipping the vending companies, to drive initial adoption. Once schools were hooked on Vengo, they pushed their innovation-resistant vending companies to start offering Vengo.

Second, Vengo applied the traditional lens of disruptive innovation (a term that is both overused and misused) to the vending industry. We discovered that vending machines were always evaluated based upon capacity. The machines had to be big to fit a ton of products in at the \$1 price point. The big, 2.5-foot-deep machines were then placed in poor locations. Vengo came in and took this traditional metric of capacity and turned it on its head. We deliberately went smaller.

By changing the form factor of the machine, adding in technology to position the platform to marketers, and focusing on design, we significantly expanded the market where retail and point-of-purchase marketing can take place.

The best part? Vengo recently partnered with All Star Services, the largest vending machine company in Michigan, and I have been able to regularly stop in Ann Arbor on my business travel.

—BRIAN SHIMMERLIK





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