

# Dividend

*The Magazine of the School of Business Administration • University of Michigan • September, 1986*

**The Executive Residence: A Pictorial Tour**

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# Under Study

## Briefings on Faculty Research

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Articles in the popular press, and even in some legal journals, frequently attempt to categorize the Justices of the U.S. Supreme Court as “liberal” or “conservative,” or as “activists” or “self-restrainers.” George Cameron, professor of business law, is doing a study that provides a more objective measure of the voting proclivities of the Justices in one area of the law — that of state and local taxation. The method is straightforward and relatively simple: to tabulate the votes of each Justice in each case dealing with this topic, and then to see whether there are measurable differences among them, or noticeable voting patterns.

During the last ten years, the Court has filed 46 opinions dealing with the constitutional validity of state and local taxes, seventeen of them unanimous. Cameron grouped the cases into five categories: state income and business activity taxes; Indian taxation; national banks and other immunities; international taxation cases; discrimination and other constitutional issues.

Cameron analyzed the data sets in several different ways: 1) which Justices wrote the majority opinions for the Court — and in which categories? 2) Which Justices wrote opinions for the Court supporting the challenged taxes, or vetoing them — and in which categories? 3) Which Justices voted with the majority most frequently? 4) Which Justices voted for the challenged taxes most frequently? 5) Which Justices voted together most frequently, and in opposition most frequently? 6) Which Justices showed the largest differentials in pairing with the other eight Justices?

Analysis of the data indicates that the “liberal” and “conservative” labels do not seem very useful in describing the work of the Supreme Court in the area of state taxation.



*George Cameron, professor of business law*

The core Justices on these issues are Brennan, Burger, and White — who range all the way across the ideological spectrum. Blackmun (an evolving liberal) and Powell (a moderate conservative) are also frequent members of the winning coalitions.

Professor Cameron says that amidst all the permutations and combinations, only a few consistencies appear. Rehnquist is consistently “for” state taxes. Burger consistently votes on the winning side. Brennan and Marshall consistently vote together. Marshall, Blackmun, Brennan, and Powell consistently vote against Rehnquist. “If the issues in a case are significant enough to produce a split vote on the Court,” says Cameron, “the current probability is that the challenged state tax will be disapproved.”

*Professor Cameron received his BA and MA from Kent State University, his JD from the U-M Law School, and his Ph.D. in political science from The*

*University of Michigan. In 1982, he received the First Annual Student Award for Teaching Excellence at the Business School. He has written two textbooks on business law, and served as president of the Tri-State Business Law Association from 1981-82. His research interests include U.S. Supreme Court voting patterns; U.S. labor law; European product liability law; Soviet commercial law, and the legal status of Native Americans.*

As part of his ongoing research on initial public offerings of common stock, Jay Ritter, assistant professor of finance, has been looking at “hot issue” markets.

He explains that during the “hot issue” market of 1980-81, the average price jump on initial public offerings was an amazing 48.4 percent. There have been other “hot issue” markets in 1961, 1968, and to a lesser extent, 1971, says Ritter. “On average,” he comments, “initial public offerings of common stock are underpriced, with the average price jump on the first day



*Jay Ritter, assistant professor of finance*

that a company is public being 18.8 percent over the period between 1960-82, but the extent of underpricing undergoes cycles." He found that the huge price jumps of 1980-81 were primarily associated with speculative oil and gas offerings, and that other sectors of the initial public offering market did not display abnormally large price jumps.

Since the market seemed to be somewhat segmented between "speculative" and "quality" offerings, Ritter then decided to look into the role of the investment banker in taking a company public. In this work, co-authored with Randolph Beatty of the Wharton School, he found that investment bankers who took firms public that were excessively underpriced subsequently lost market share, as other potential issuers avoided them.

Ritter's work on the process of going public continues. In research that he is currently pursuing, he has found that the costs of going public are enormous — eating up 20 to 30 percent of the value of securities issued for a firm.

*Jay Ritter received his BA, MA, and Ph.D. from the University of Chicago, and was on the faculty of the Wharton School before joining our faculty in 1985.*

# Dividend

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This dramatic photograph of the Executive Residence at twilight was taken by Philip T. Dattilo.

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*Sam Zell and Robert Lurie decided to encourage entrepreneurial tendencies in Business School students by initiating a \$25,000 prize competition. This article is about what happened next.*

# Not Just a Pipe Dream

**By Pringle F. Smith**  
**Editor, Dividend**

**I** realize that an entrepreneur puts his pants on one leg at a time the way I do," muses an MBA student, "but he probably does it in half the time I do, and while doing it he has breakfast and closes three deals."

Not necessarily. Even if you don't close three deals before breakfast, you could be an entrepreneur. But how to tell? Sam Zell and his partner, Robert Lurie, both highly successful in real estate, decided to encourage entrepreneurial tendencies in students at the Business School by initiating the Bernard Zell/Leonard Lurie \$25,000 prize competition in the Teaching of Entrepreneurship. They hoped such a class would lead more individuals to be entrepreneurial regardless of their career choices.

The first winner of the competition was Carol F. Moore, assistant professor of psychology at U-M Flint, who took a one year leave to teach here. Her prize-winning course, entitled "Becoming an Entrepreneur — Risk-Taking and Responsibility" was designed to expose students to a wide variety of psychological research that would help them understand entrepreneurial behavior. But Moore also combined theory with practice. Her course included exercises and assignments to help students learn how to behave in an entrepreneurial way, and incorporated keeping a journal, doing a personal interview with an entrepreneur, and guest lectures by practicing entrepreneurs.

On this particular day, the guest lecturer is Sam Zell himself. Zell, a graduate of The University of Michigan and the U-M Law School, is the founder and principal stockholder of Equity Financial Management Company. Within the firm, he is primarily and finally responsible for negotiation, financing new ventures, and long term planning.

*Zell observes that risk taking involves the possibility of losing. "You know you will lose some of the time," he tells the students, "and how you handle your loss is more important than how you handle your win." At the same time, he observes that entrepreneurs who fail don't think, "I failed." They think, "It didn't work out. Next?"*

*To be an entrepreneur, Zell says, you have to be willing not only to take a position, but also to have the conviction to move forward with it. "This can be lonely," he assures the students, "because you may not find many others who share where you're coming from. Entrepreneurs tend to be contrarians."*

*To illustrate his point, Zell tells the class that in the early 1970s, before the Real Estate Investment Trusts crashed, he kept saying that the end of the world was coming in real estate. "I even had a Chicken Little badge," he says, "but*

*people kept telling me I didn't understand the situation. So in 1973 I made an entrepreneurial decision.*

*I stopped doing anything."*

Commenting on Zell's talk later, a student said, "He seems to be totally flexible to a changing world out there. It's a kind of awareness of the environment which must be monitored by subordinating one's ego to the world around him. If you spend too long analyzing a deal, the world will have changed and then your numbers will be all wrong and in the meantime some entrepreneur will have jumped in and bought it out from under you."

"One thing I try very hard to get across to my students," says Moore, "is that entrepreneurs have to be continually aware and responsive. They are alert and seem highly connected to the environment, and this makes them aware of opportunities that others may not sense."

*Six months later, Zell's gloomy hunches had been proven correct, the crash in real estate had indeed happened, and Zell started a distressed property company. "We bought all the distressed properties we could," he says. "I figured one third would be home runs, one third would be failures, and one third would bring in average returns. It was scary. It was difficult. EVERY piece of property was losing money. And if the negative cash flow this month is \$250,000, believing is very difficult.*

*“One of the thrills of this world,” Zell says wryly of those days, “is getting up in the early morning to watch the sun rise through the windows of your unrented office building. “But” — he says emphatically — “and remember this. You don’t have to be right. You just have to be right more often than you’re wrong. One of the wonderful things about real estate is that you build it today, and you find out if you got screwed three years later. It turned out that we ended up with about 95% home runs.”*

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“Typical courses in entrepreneurship do not make use of the psychological techniques available for the encouragement and development of entrepreneurial characteristics,” says Moore. “Instead, they center on the mechanics of opening and running a small business. People have to be ready to open a business mentally as well as financially. Creativity, responsibility, tolerance for ambiguity, and goal setting skills are all part of successful entrepreneurship. I try to get people to look at themselves and see whether or not they fit the entrepreneurial mold.”

Not all do. “This class has significantly changed my entrepreneurial aspirations,” wrote one student at the end of the course. “I really do not have the insatiable drive to achieve that entrepreneurs do. Also, the fact that entrepreneurs work such long hours does not particularly excite me. I want to do more things in life than work and make money.” But another student wrote, “Had I been born in the 19th century, I’m sure I would have gone West in search of gold or oil. This class has reinforced the concept I have about myself in regard to being entrepreneurial. I still feel that it is only a matter of time and start-up capital until I break away from the mainstream and go out on my own to chart my destiny.”

“Having completed this class,” wrote one budding entrepreneur, “I realize that my vague notion of starting my own business can be a concrete goal that it is reasonable

for me to pursue, and not just a pipe dream.” And another said, “In this class my problem solving techniques have become much more open and innovative. No one was more surprised than I was when, in exploring my proposed business venture in this class, I discovered I was actually thinking about doing it!”

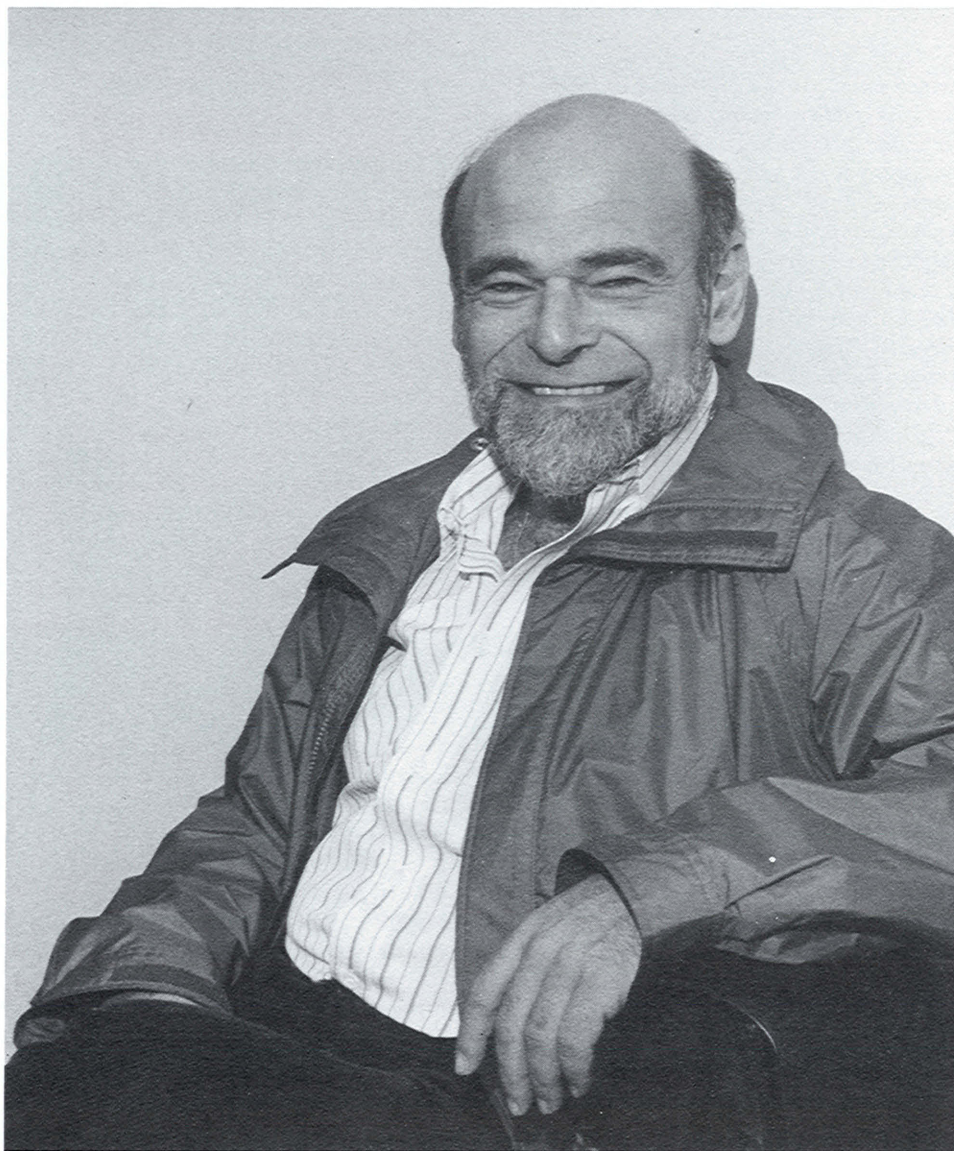
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*“There is a difference between an entrepreneur and a risk taker,” Zell tells the class. “People who don’t have any real assessment of risk are DREAMERS. Dreamers may be OK, but they are not*

*entrepreneurs. The true entrepreneur begins with the question ‘What’s the down side? How do I cut my losses? How can I get out of the room?’*

*“The real issue in entrepreneurship is not: Is there a risk? It is: ‘What is the risk-reward ratio?’ There is a superior risk-reward ratio in real estate. The seller is taking a risk too. We sold a building for \$33 million. The guy who bought it sold it three years later for \$85 million. We lost on that one! But the attitude to take is ‘OK. \$52 million. Next?’ My point is, you can’t win them all, and you can’t drive your car by looking in the rear view mirror.”*

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*Sam Zell in the class on entrepreneurship funded by the Zell-Lurie Competition.*

You may not be able to win them all, but you can win more often by being able to apply creative problem solving techniques to old problems. "There are things you can do with your mind that help it break out of the 'velvet rut' it's in," says Moore. "You can brainstorm, you can look at things in a new way (how can I adapt it, enlarge it, reduce it, rearrange it, reverse it), you can deliberately put yourself in a new environment and see what happens. We spent a significant amount of time in the course reading the research on creativity and doing exercises designed to develop and encourage creativity."

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***"There is a spectrum of entrepreneurship," says Zell. "Some people are 95% entrepreneurs; others are 50% entrepreneurs. You gotta have greed, and greed is not necessarily defined as money. You gotta want it bad enough to make it happen. Also, risk-taking does not have to be defined in terms of money. It could be defined as going against the corporate culture. And," he adds earnestly, "just because someone starts his own business, doesn't make him an entrepreneur."***

***"Can you be an entrepreneur and not be a success?" asks a student.***

***"Yes," says Zell, "because a person can be imaginative and creative and yet have no follow-through."***

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Follow-through, or the art of realistic goal setting, was a focal point of the course. Moore asked students to write their own obituary, including in it three business and two personal goals they had accomplished in their lives. "It was a difficult assignment," she says. "They were very reluctant to dream. It was just a way of helping them think about the larger things they want to do over the course of a lifetime. It helped them to see who they are and what they want to become."

Once goals are set, says Moore, they need to be broken down into smaller units. "I tried to train the students to be very specific in their goals and see where that leads."



*Dr. Carol Moore, winner of the first Zell-Lurie competition in teaching entrepreneurship.*

One student commented that she had originally had some lofty ideas for a business venture, but that as the term progressed, she began to question whether those high goals were realistic. "What I realized," she said, "was that I did not consider the short term steps necessary to ensure reaching my end goals. For instance, one of my long term goals is to become a good public speaker, but because I didn't have any set plans to accomplish the goal, the thought of it was stressful. As a result of the class exercises, however, I began to set subgoals, like participating in class discussion a set number of times or practicing a class presentation three times in front of a mirror before giving it. I got much satisfaction from accomplishing these goals and my self-confidence increased tremendously."

Students had much praise for the goal setting exercises. "Whereas buying 2 million dollars worth of quality property might have seemed unlikely," wrote one potential real estate entrepreneur, "buying five properties of \$400,000 each is achievable. The process of breaking down a venture into incremental steps where feedback can be independently sought has opened my eyes to the need for careful and methodical advance planning."

Moore identifies five characteristics important in the process of goal setting. The goal should be difficult, and specific. It should also have a distinct time-frame, because the closer the goal is to you in time, the more likely you are to accomplish it. In addition, you need to identify ways of getting feedback, because without signposts, the goal is worthless. The last characteristic is acceptance. This means that you need to believe that you can attain the goal, and that you see a reason for trying to attain the goal. It's also effective to have cascading goals, so that one goal leads to another.

Sometimes this kind of exercise will make it clear that your goals conflict with each other, and you have to modify or prioritize. "One of the most important things I learned this semester," wrote a student, "was that of setting very specific goals with very specific time constraints. I realized that no matter how good my business ideas were, that unless I had a specific time schedule, I would tend to procrastinate forever."

Once the goal setting was well on its way, students were told to come up with a specific idea for a business venture. "Usually this idea evolved out of their goals," says Moore, "and in some cases their business venture, begun as a class assignment, turned into a serious idea that they intend to implement in the future."

"This course is a first step for students interested in entrepreneurship," says Moore. "You can't learn to become an entrepreneur in one course any more than you can become a CPA with one course. Students really interested in becoming entrepreneurs should follow up with other courses — on subjects such as venture capital, taxation, and management — to complete the rounded education an entrepreneur needs."

Even with a well-rounded education, few entrepreneurs have all the skills necessary to run a business. Thus they need to put together a team of people who have the skills they lack. Recruiting

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*“We bought all the distressed properties we could. I figured one third would be home runs, one third would be failures, and one third would bring in average returns. It was scary. It was difficult. EVERY piece of property was losing money. And if the negative cash flow this month is \$250,000, believing is very difficult.”*

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such a team was another of the class exercises. After all the class members had described their areas of expertise, people chose appropriate members of the class to be part of their entrepreneurial team. If anyone needed expertise that was not available in the class, they were required to figure out who in the community could meet those needs, and give the names to Moore. All members of the class had to list the skills necessary to start their venture, and then have somebody with those skills available with whom they could consult.

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*Zell explains that in an entrepreneurial organization the greatest single risk is delegation. He expands this idea with diagrams on the blackboard, showing organizations where there is a direct link between the risk-taker and the people making the decisions. A large distance between the entrepreneur and the decision maker is bad, he says, because the person making the decision is no longer the person taking the risk. “Our organization looks like this,” he says, drawing a picture on the board that looks like a wheel with spokes. At the center of the wheel he spells “Sam and Bob.” It is clear there is a direct link between Sam and Bob and everyone else in the organization. “All those guys who work for Sam and Bob,” says Zell, “could go out on their own tomorrow and be successful. They don’t because here they get to play in a bigger field than they could on their own. How do you manage*

*guys like this? With the rope theory. You let them run their own business.”*

*As an example of another kind of organization, Zell cites a business where a decision about whether or not to replace the company’s computer system went from the CEO to the CFO. From there it went to the legal department, which referred it to the strategic planning department, which referred it, in Zell’s words, “to some schmuck to study it. Now,” he continues, “we’ve got the decision out far enough away from the risk taker that it can REALLY do damage!”*

*Zell winds up his talk with a warning. Extreme self-confidence could become an egotistical sense of infallibility. “Don’t take yourself too seriously,” he says. “Truly successful people are not arrogant. I don’t necessarily mean they are humble, but for example, you need to know that if you take a knife and cut yourself, you’re going to bleed!”*

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Dr. Moore, who has her Ph.D. in industrial/organizational psychology from Purdue, has constructed a model of entrepreneurial behavior which she presented to the Academy of Management at their annual conference in August. “Current research on the psychology of the entrepreneur has been hampered by two major problems,” says Moore. “They are, lack of an adequate definition of entrepreneurship, and lack of a model which relates individual, organizational, and environmental

*Continued on page 47*

## **Further Reading on Creativity and Risk-Taking**

### **New Venture Strategies**

*by Karl Vesper — Prentice Hall, Inc. 1980*

An excellent book on strategy and development of entrepreneurial ventures. Primarily concerned with policy and control issues. Includes material on taxation and legal issues.

### **New Venture Creation:**

#### **A Guide to Entrepreneurship**

*by Jeffry Timmons, Leonard Smollen, and Alexander Dingee — Richard D. Irwin, Inc., 1985*

A comprehensive textbook. It has a section on using microcomputers in the startup of a new venture, and addresses some of the psychological issues connected with new venture creation.

**Are You Creative?** — Business Week Sept. 30, 1985, pp. 80-84

This article discusses the fact that creativity can be enhanced, and describes methods currently being used by businesses to increase creativity.

#### **The Psyche of the Entrepreneur**

*by Daniel Goleman — The New York Times Sunday Magazine, February 2, 1986, page 30*

An overview of the psychological research that has been done to date on entrepreneurship.

#### **The Social Psychology of Creativity**

*by Teresa Amabile — Springer-Verlag*

A very good book on current research being done on creativity.

#### **Take the Road to Creativity and Get Off Your Dead End**

*by David Campbell — The Center for Creative Leadership, Greensboro, North Carolina, 1977*

This book includes exercises for people who want to enhance their creativity.

# *Regina Guzior Becomes First Blind BBA Graduate of the School*

**By Kent Grayson**

**I** love accounting," says Regina Guzior, BBA '86, "but can you picture a blind financial assistant?" She shakes her head. "You have to be realistic."

For Regina, "realistic" means focusing on organizational behavior and industrial relations. "I know I can handle a position in OBIR," she explains. "I have a good memory, I like dealing with people, and I'm very organized. I will definitely go into OBIR if I don't make it through law school."

Regina, who lost her sight in 1979, came to the Business School in 1984 after graduating Phi Beta Kappa with an associates degree from Delta College in University Center, Michigan. "The University of Michigan," she says, "is one of the top schools in the country. I figured that the only way I could prove myself to a prospective employer was by doing well at Michigan on the same terms as the other students. If I had made it through a less competitive school, it wouldn't have meant as much."

In order to keep up with fifteen credits of course material each semester, Regina maintained a force of readers — eight to ten volunteers and paid assistants who read exams to her, helped type papers, and recorded her texts and coursepack materials on audio tape. Karen Malecki, BBA '86, read for Regina during their last year and a half at the Business School. "We developed

a friendship, which made the job easier," Karen says, "but the work is demanding. Even though Regina usually has the chapters and sections memorized from the tapes, she can't go back to the book to see if she's missing something. If one of her readers skips an important graph, a chart, or a table, she's never going to know." In classes like economics, Karen "showed" graphs to Regina by having her draw them, directing her hand across large sheets of paper while explaining the parameters of the graph.

"Exams were hardest," Karen says. "When you can see the question on the page, it takes less time to understand the point. If you don't catch something the first time, you can go back to the sentence you want or pull out the figures you need. But when I would read a question to Regina, I had to repeat it five or six times before she could get a thorough understanding of it."

Regina admits that, because accuracy was so important, she had a tendency to "burn out" her readers. "I was very picky," she says. "One word, such as 'not,' put where it shouldn't be, or one word mispronounced to sound like another, and the concept an author was trying to communicate would be completely changed. Even when it *was* read correctly, I could still get

the wrong idea. So I would always start my readers by saying, 'Don't be afraid to argue with me about the texts. If you think I am getting the concept wrong, say something. I may argue with you, but don't be afraid to talk back.' It really helped me learn the material better when I could hear another perspective."

Regina entered finals last Spring with over three hundred hours of audio tapes from that semester, material that helped her maintain her 3.6 grade point average. "My U of M GPA," she says, "is not what I expected. But my first semester was really bad — I went into mid-terms without readers — no readers for six weeks! I pulled a 2.7 that semester. But my next semester, just to show you how much readers help, I pulled a 3.7."

Readers were not Regina's only support. "If it wasn't for my husband and son," she says, "I don't think I would have made it through these four years." While in school, Regina spent Monday through Thursday in Ann Arbor, returning home for a three-day weekend. Each Monday and Thursday, her husband John, a senior designer for Intertech, chauffeured her the 125 miles between Ann Arbor and Midland.

"There are two things I have to tell you about my mother," their son, fifteen-year-old John, Jr., has been known to say to his friends. "One, she's blind, and the other,



she's crazy." "We always joke around," Regina says. "Like, if I want him to get a haircut, all I have to do is threaten to get the scissors out and cut it myself. Even though he knows I wouldn't do it, I think in the back of his mind there's just a little doubt. Because there isn't anything I won't try," she adds matter-of-factly. "We golf, all three of us, and we travel a lot together. We also bowl — they just set me up at the line, tell me where the pins are, and let me go."

"But if you wonder whether I've totally adapted to blindness," she continues, "the answer is no. It took me until this year to start using my white cane. There was some independence I wanted to keep, and it sort of gave me my independence knowing I didn't have to use the white cane. But I got tired of bumping into people, so last fall I finally decided that the white cane should come out of the closet."

Regina began losing her sight while the Guziors were living in Connecticut in 1972. Thinking that these difficulties were the result of a head injury Regina sustained in a recent car accident, doctors ran a battery of tests, which showed no damage to suspected areas. But over the next three years, Regina's vision continued to deteriorate. She began visiting her eye doctor every six months to have her eyeglasses prescription changed.

In 1975, Regina's optometrist referred her to another doctor. "I prepared myself for the worst," Regina says. "I didn't want to be overly pessimistic, but I knew that if I was overly *optimistic* I'd be opening myself for a big letdown." After examining Regina, the second doctor said he wanted his suspicions confirmed by a doctor in Boston. Regina wanted to know what his suspicions were. He said 'I don't know if you're ready for it.' I said, 'Look, I'm prepared for the worst. If you think I'm going to go blind, I want you to tell me.' And that's exactly what he did tell me."

"I was shocked," Regina remembers, "but, like I said, I was prepared for the worst. So I went out to my car and cried for ten minutes. Then I said to myself,



*Regina (right) discusses a point with one of her readers, Karen Malecki, BBA '86.*

"This is ridiculous. I'm 25 years old, I've seen for 25 years, I don't know how many more years I have to see, and I might as well make the best of it.' And, little by little, I did."

In Boston, doctors confirmed that Regina had retinitis pigmentosa, a degenerative hereditary disease for which there is no cure. "I think the hardest part," Regina says, "was telling my family after I went to Boston. You see, since it's hereditary, my brothers and sisters may have it also, or may carry it. But I think once you start talking about it, that helps you acclimate to the idea that it may happen."

At the time she was diagnosed, Regina was working as a secretary on contract for General Dynamics. When the contract ran out in 1980, she immediately began looking for another job. A year and a half later, she had still not found one. "I think many employers had the impression that, because of my blindness, they would have to put in extra effort to adapt to me," she says, "when, of course, it was me who would have had to adapt to their system. No, they couldn't hand me a hand-written letter and say 'type this up,' but as long as it was dictation, I would have been fine."

In 1982, when John, Sr., took the Intertech job, the Guziors moved to Michigan. "I just finally gave up on getting a job," Regina remembers, "and walked around saying, 'What am I going to do? What am I going to do?' That's when I decided I needed to go back to school."

On graduation day, John, Jr., sat with Regina and escorted her across the stage to get her diploma. After the ceremonies, Regina returned home to begin her summer vacation and to wait to hear from law schools. She hopes to use her business background as a foundation for a career in corporate law. "Everybody in Midland knew I graduated from the University of Michigan," she says, "because for two days after I got home I carried a University of Michigan pennant around with me, waving it everywhere I went in the city. It's really been hitting me lately that I've finally made it. I used to get upset sometimes, saying to myself that nobody realizes the time it took for me to get through this school. But now, I don't even think about that — I just think 'I've made it! I did it!'"

*Below — Joseph P. Keithley, MBA, '76.*

*Right — Barbara J. Mahone, MBA, '72.*



## Meet Our Alumni Board of Governors

**T**he Business School Alumni Society Board of Governors meets twice a year. At the spring meeting, *Dividend* was there to take pictures. Not every one of the 27 members is able to attend every meeting, but a large proportion of the Board is present every time, some of them traveling from as far away as California.

The Board was organized in 1983 to help provide a two way street between the School and its alumni; to develop a wide network and fellowship among faculty, alumni, students, and friends of the Business School; and to furnish an avenue through which its membership will become familiar with the programs and progress of the Business School and the business profession, and thus be better able to help in advancing their programs. In addition, the board helps to encourage a continued flow of outstanding student candidates for the School, and cooperates with the University officials in helping to meet the need

for financial support from public and private sources both for the School and The University of Michigan.

Members of the Board who attended the spring meeting are pictured here. A list of all the members of the Board is as follows:

J. CRAIG DENOOYER, MBA '78  
*Vice President*

Monroe Management Company  
PETER F. DEVAUX, BBA '66, MBA '70  
*Executive Vice President*  
Young & Rubicam, U.S.A.

SUSAN R. FISHER, MBA '80  
*Manager*  
Michigan Bell Telephone Company

STEPHEN E. FRANK, MBA '72  
*Vice President and Controller*  
GTE Corporation

DEBRA F. GATSON, MBA '78  
*Supervisor*  
36th District Court, Detroit

EARL G. HAMILTON, PH.D. '76  
*Assistant Director*  
Federal Reserve Board



*Below — C. Wendell Tewell, MBA '70.*

*Above left — Peter F. deVaux, BBA '66, MBA '70, and Roxanne Jackman, MBA '85.*

*Below left — B. Joseph White, Ph.D. '75, and Thomas C. Kinnear, Ph.D. '72.*



CHARLES H. IHLING, MBA '79  
*Manager, Planning*  
Bell & Howell/Columbia Pictures

JOSEPH P. KEITHLEY, MBA '76  
*Director, Corporate Marketing*  
Keithley Instruments

THOMAS C. KINNEAR, Ph.D. '72  
*Professor of Marketing and*  
*Associate Dean*  
School of Business Administration  
The University of Michigan

ROGER E. LUMPP II, MBA '68  
*Vice President*  
CNA Insurance

BARBARA J. MAHONE, MBA '72  
*Director, Human Resource Management*  
General Motors Corporation

JOHN D. MANDICH, BBA '78  
ANN BUTLER MARTIN, MBA '80  
*Vice President*  
Bank of America

JOHN H. MCCARTHY, MBA '68  
*Partner*  
Coopers & Lybrand

WILLIAM E. MURRAY, MBA '74  
TIMOTHY W. O'DAY, MBA '80  
*Account Supervisor*  
Leo Burnett

JAMES A. PARSONS, MBA '81  
*General Partner*  
Regional Financial Enterprises

STEPHEN A. PERRY, EXECUTIVE  
PROGRAM  
*Assistant to Vice President, Finance*  
Timken Company

BONNIE R. PROCTOR, MBA '74  
*Vice President, Financial Planning*  
Bank of America

SHARON Y. REED, BBA '74, MBA '81  
*Corporate Planning Manager*  
Scott Paper Company

RUDOLF A. TERVOOREN, MBA '77  
*Senior Vice President*  
Trident Financial Corporation

C. WENDELL TEWELL, MBA '70  
*Executive Director*  
Morgan Grenfell

B. JOSEPH WHITE, Ph.D. '75  
*Vice President, Management*  
*Development*  
Cummins Engine

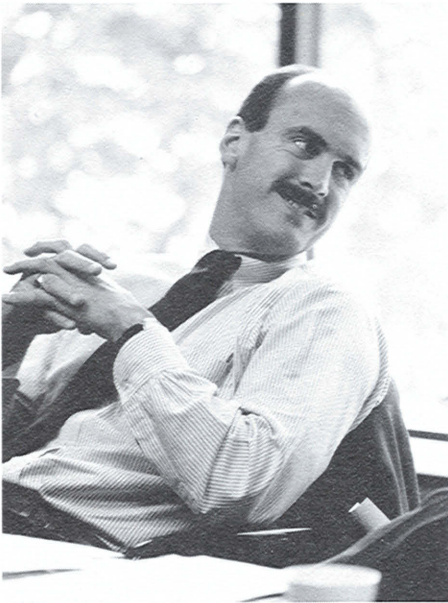
WARREN P. WILLIAMSON, MBA '54  
*President*

WKBN Broadcasting Corp.  
ROBERT L. WILSON, MBA '64  
*Partner*  
Arthur Andersen & Company

*Top row, left to right — Earl G. Hamilton, Ph.D. '76; John D. Mandich, BBA '78, and Bonnie R. Proctor, MBA '74.*

*Middle row, left to right — Stephen E. Frank, MBA '72; Sharon Reed, BBA '74, MBA '81, and Charles H. Ihling, MBA '79; Craig DeNooyer, MBA '78, Debra F. Gatson, MBA '78, and Frank Wilhelme; William M. Williamson, MBA '72, and Debra Gatson.*





*Left to right — Robert L. Wilson, MBA '64; Sharon Reed, BBA '74, MBA '81; Ann Butler Martin, MBA '80, and James A. Parsons, MBA '81.*

**Photos by Dean Russell**

# McCracken “Retires”

“The world has presumably always been in transition to something different,” observed Paul McCracken with characteristic wry humor to a graduating class of MBA students. Now he himself is in transition. On May 31, 1986 he “retired” from active faculty status as Edmund Ezra Day Distinguished University Professor of Business Administration. Less than a month later, he became interim president of the American Enterprise Institute in Washington, D.C. Of course, he also continues to write and to speak on various important economic issues of the day. So much for retirement.

A native of Iowa, Paul McCracken received his A.B. degree from William Penn College and his M.A. and Ph.D. degrees in economics from Harvard University. After completing his graduate studies at Harvard, he worked as an economist in the U.S. Department of Commerce, and then as a financial economist and director of research at the Federal Reserve Bank of Minneapolis. In 1948, he joined our faculty, and in 1966 was recognized for his achievement and outstanding service by being appointed as the Edmund Ezra Day Distinguished University Professor of Business Administration.

Throughout his long and distinguished career, Dr. McCracken served in various advisory roles to several United States presidents. He was a member of the President’s Council of Economic Advisers from 1956-59, and in 1969, returned to Washington for three years to

serve as Chairman of the Council of Economic Advisers.

As a member of the Board of Contributors of the Wall Street Journal, McCracken is the author of many editorials written for that paper. He has also written extensively for various scholarly economic journals on aspects of economic and financial policy. His speeches and statements presented to national and international forums are too numerous to itemize.

“He acquired values out of his background that are quintessentially American values,” says Professor of Statistics Allen Spivey, a long-time friend and colleague. “He can resonate with the experiences of a lot of people.” His service on national economic commissions, international task forces, and advisory boards involved travel all over the world, but “he did it all in a quiet and self-effacing way,” says Spivey. “I’ve never known Paul McCracken to make a big thing out of what he did.”

Indeed, one of McCracken’s hallmarks is modesty flavored with warmth, unpretentiousness, and a whimsical sense of humor. In the following excerpt from autobiographical notes, he describes encounters with two presidents of the United States.

“In 1956, during a recess of a conference at Dartmouth, to which I had just given a paper, a secretary came in breathlessly to say that the White House was calling. (The White House, I found, has other telephones than the one on the President’s desk.) Thus began 2 years of active participation in the

operation of national economic policy as a member of the President’s Council of Economic Advisers. The President, after talking with me in his office about the job, made an observation which reflects General Eisenhower’s combination of integrity and hard sense. The main thing, he said, is always to give us the straight dope; let’s never start out by kidding ourselves. He paused a moment, flashed the famous smile, and added that he never wanted a memorandum more than one page long, but he wasn’t sure that was possible for an economist.

“In 1960 just after Christmas came another call. Would I, this person inquired, come to New York immediately to work with Allan Sproul (formerly President of the New York Federal Reserve Bank) and Roy Blough (Columbia University) on a set of recommendations to the incoming President about the gold and balance of payments problem? Naturally this was a command performance; I did, and found myself a few weeks after inauguration back in the President’s office — this time, and it was a bit of a shock, talking to a President younger than I. Toward the close of the conference he inquired about the authorship of a certain section of the report, which happened to be mine. He winked, turned on the smile that was destined to charm and captivate the world, and said, you know, you don’t write like a Republican.”

McCracken is a master of the English language and has always



used precise words. (In fact, after college and before graduate school he taught English at Berea.) “He thinks carefully and deeply,” says Allan D. Gilmour, MBA ’59, executive vice president and chief financial officer of Ford Motor Company. Gilmour, a former student of McCracken’s, particularly remembers how clearly he presented economic material.

As a teacher, McCracken is remembered with affection by his students. His popular Business Conditions class was a landmark in economic teaching excellence. “He made a great effort to put material in the context of the real world,” says former student Martha Seger, BBA ’54, MBA ’55, Ph.D. ’71, now a Governor of the Federal Reserve Board. “He had a more varied background in the real world than most economists. Most academics never get a whiff of reality.”

McCracken taught his class even-handedly, combining lecture with discussion. Students packed into McCracken’s classroom often to

find that their professor, on his way to class, had decided to discuss a current and pending economic issue instead of giving the lecture scheduled for that day. Says McCracken in his typical unassuming way, “My best hours occurred because on the way to the classroom I decided not to give the regular lecture.”

McCracken has always listened patiently to students, especially those with different views. When challenged in class, he would listen and discuss both pluses and minuses of an issue. He was sensitive to being dogmatic and concerned that students not be forced to accept his views but be left to form their own. “He is a very caring teacher,” says Martha Seger, “interested in students as people.” When a group of students recently stumbled into McCracken’s office with video equipment and a list of questions, he granted forty-five minutes to tape an interview on U.S. trade. After the interview, McCracken

took his turn, inquiring about each student’s home state and job pursuits. “He actually did care,” says one group member, “which kind of surprised me because he’s so eminent, and I thought maybe he’d be a little out of touch with students.”

In spite of his impressive accomplishments, it can truly be said that Paul McCracken is a modest man and a humane and considerate gentleman. In the transition to distinguished economic policy maker from an Iowa farm boy, he never lost touch with his origins. He once wrote, “No one can review his own experience without being impressed anew by the profound obligations owed to others.” It seems in “retirement,” he is continuing to follow that conviction.

*Dividend would like to acknowledge Mark L. Johnson, MBA ’86, for his help with this article.*



*Road signs indicating a multitude of locations were featured in this year's Global Blue! kickoff event.*



# Global Blue! (Continued)

The Global Blue! network expanded by several hundred people in April when the Class of 1986 held its rally, complete with balloons and road signs to indicate the various destinations of our new graduates. Meanwhile, several new outposts of Global Blue! were activated: one in Denver, one in Scandinavia, and one in West Germany/Austria. A list of the Global Blue! Regional Representatives is on page 18.

Global Blue! events show a great deal of variety. They can involve a dinner meeting with a speaker, a purely social get-together, or just an informal meeting between a traveling faculty member and several alumni in the area. An example of the latter type of meeting comes from Professor of Business Administration, Herbert Hildebrandt, who reports that he met for dinner with small groups of alumni in Singapore and Hong Kong during his visit to those cities in May. Reports from individual chapters follow:

## Detroit

One important goal that the Global Blue! originators set was that of incorporating members of earlier classes into the network. So the Detroit chapter was especially pleased when people from a variety of class years going back to 1932 turned out for the spring dinner meeting. Alan Gilmour, MBA '59, executive vice president and chief financial officer of Ford Motor

Company, spoke on the new corporate culture at Ford. The meeting was held at the Detroit Athletic Club.

## Boston

The Boston chapter is excited about their next big event, which will be held jointly with the prestigious World Affairs Council. A dinner meeting is being planned with a major speaker. For further information, call Roxanne Jackman at (617) 244-0814.



## Japan

The Japan Chapter of the Global Blue! network has been meeting regularly for informal dinners. They also report that they have made contact with the U of M Alumni Club in Tokyo and are working with them.

## Cincinnati

Regular happy hours for Global Blue! members have been scheduled in Cincinnati, and a barbecue dinner meeting was held in the spring.

## Twin Cities

Global Blue! Twin Cities held an evening cruise in July on Lake Minnetonka for alumni, their families, and guests. Later in the year, they plan an evening to welcome recent graduates relocating to the Twin Cities.

## Chicago

Chicago Global Blue! members enjoyed two sailing trips in August — one on August 16 and one on August 30. They spent those Saturday afternoons sailing Lake Michigan on the 85-foot schooner Charlotte Ann and had a chance to renew old acquaintances and meet some of the newer business graduates who are just starting out in the Chicago area.

## Columbus

The Columbus chapter met in June at the Park of Roses for an afternoon get-together with alumni and their families. They report that about 100 Business School alumni live in the area, and that the Columbus chapter of the Harvard Business School alumni has invited alumni of the Michigan Business School to their programs.

If you are interested in starting a chapter in your area, please get in touch with the Global Blue! coordinator. She is Sherry Sandoval, MBA '85, and can be reached at (617) 244-0814.

*Consider it Important!  
Keep in Touch!*

# Global Blue Regional Representatives

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# The Early Days

## *Education for Business Administration*

### *at the U-M from 1901-1926*

By D. Maynard Phelps, Professor Emeritus of Marketing

Monday, June 14th, 1986 was the sixtieth anniversary of the graduation of the first class from the School of Business Administration. It is difficult for me to believe that sixty years have passed since that event. The class has held a formal reunion every decade and many informal get-togethers to engage in games of chance, more familiarly known as poker parties. Many of the members of the class are now deceased, but those who are living are not sufficiently sanguine to believe that we will have a seventieth reunion. So this short article may be considered the swan song of a devoted group of business administration students who took some of the first courses offered by the new school in 1924.

Education in business administration at Michigan antedated the establishment of the new school by over two decades. In 1901, a one-semester course in accounting was made available, taught by D. W. Springer. In 1902 a course in marketing was offered by a Mr. Jones. There is a consensus that this was the first course in marketing ever offered in an academic institution in the United States. These courses and many others later were in the curriculum of the Department of Political Economy of LS&A. In the next two decades many additional courses were made available — among them auditing, corporation accounting,

finance, the marketing of agricultural products, wholesaling, business law and insurance — all taught by the faculty of what is now called the Department of Economics.

Many students who elected these courses wanted some official recognition of their education in the business administration field, so in 1907 a certificate program was established. If a student had successfully completed a proscribed program of business courses in addition to required courses in economics, he could be awarded a special certificate in addition to his diploma. Undoubtedly, this certificate was useful in attempts to secure employment in business and industry, also in government agencies and academics.

This procedure of using an economics department as at least a temporary home for business courses and, as at Michigan, for sociology likewise, apparently was followed at many universities. Only

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About the author: D. Maynard Phelps joined our faculty after graduation in 1926 along with Merwin H. Waterman — Phelps in marketing, Waterman in finance. He received his Ph.D. in 1931 and remained on our faculty until he became Professor Emeritus of Marketing in 1967.

one business school — the Wharton School at the University of Pennsylvania, was established before the turn of the century (in 1899). But many others were established from 1900 to 1920. Michigan was not one of the leaders in this organizational change. Evidence of this fact is that on June 16, 1916, a meeting was held at the University of Chicago to consider the establishment of an association of business schools. In this preliminary meeting Harvard, Northwestern, Dartmouth, Tulane, and the Universities of Chicago and Illinois were represented. The objective of this meeting was to draft a plan for an organization of business schools throughout the United States. The following day the committee drafted a constitution which later was approved by fourteen charter members. This new organization was first called Association of Collegiate Schools of Business. The word "American" was later added so now it is the American Association of Collegiate Schools of Business (AACSB). Michigan became a member in 1919 despite the fact that it had not established a business school separate from economics in LS&A.

There must have been a diversity of opinion among the faculty members in economics, perhaps among administrative officers, and even in the Board of Regents about the advisability of establishing a new business school on campus. But, finally, definitive action was taken by the regents in the 1922-23 academic year. After the Board's March meeting it was announced that Professor Edmund E. Day of Harvard had been tendered an appointment as professor of economics and that this appointment included the chairmanship of the department. It was also announced that the appointment had been accepted by Professor Day to take effect at the beginning of the second semester of the 1922-23 academic year. Undoubtedly Professor Day had been asked to consider the desirability of establishing a new School of Business Administration and the procedures which should be followed if such action was taken.

On December 4, 1923, Professor Day made a report to the Board of Regents. It should be noted that this report was from the Department of Economics, not from a single individual. Thus it can be inferred that a majority of economics faculty members approved the suggestions made. Excerpts from this report are as follows:

*“To the members of the Board of Regents of the University of Michigan:*

*I. The Department of Economics of the University begs to submit to the Board of Regents a plan involving a complete reorganization of the work now carried on in the Department. The proposed plan involves changes requiring formal action of the Board. The nature of the reorganization will appear from the following recommendations:*

*1. That the three divisions (Economics, Sociology, and Business Administration) of the work of the present Department of Economics be separated, and that, as soon as the changes can be effected,*

*(a) the Department of Economics in the College of Literature, Science, and the Arts confine its program to work in Economics.*

*(b) a Department of Sociology be created in the College of Literature, Science, and the Arts to handle such instruction as may be hereafter offered in Sociology.*

*(c) a School of Business Administration be established as a separate division of the University, with its own administrative and instructional staff, to take over and enlarge the present offering of courses in business administration.*

*II. That the School of Business Administration be set up with a two-year program of professional study, and that the degree of Master of Business Administration (M.B.A.) be awarded upon successful completion of the two years of work.*

*III. That the requirements for admission to the School of Business Administration consist of satisfactory completion of the work of the first three years in the College of Literature, Science, and the Arts at this university or of equivalent work of collegiate grade.”<sup>1</sup>*

<sup>1</sup>Proceedings of the Board of Regents, 1920-1923, pp. 137-38.



*Pictured at their 50th reunion held in 1976 are members of the Business School's first graduating class. In the back row, from left to right are David Touff, Millard H. Pryor, Robert P. Briggs, Alexander J. Petrellis (later changed to A. Petrellis Perry), Booker T. McCraw, and Ralph E. Johnson. In the front row, left to right, are Bernard A. Nagelvoort, F. Bradley Case, D. Maynard Phelps, and Merwin H. Waterman. 1926 graduates not pictured include Alois J. Chronowski and Harry A. Mitchell. Three of those pictured (Briggs, Pryor, and Touff) took courses at the Business School during 1924, '25, and '26 but received their degrees from LS&A. However, they were "adopted" by the class of 1926 and were invited to all the class functions. (Robert Briggs was awarded an MBA in 1928.)*

Professor Day also suggested that steps be taken for the earliest possible establishment of the School of Business Administration and set as a goal the fall semester of the 1924-25 academic year.

In support of his suggestion that a new business school be established, Professor Day made several comments: first, he said that the present arrangement is objectionable in that instruction in business administration is essentially vocational or professional and quite inappropriate for LS&A; that many of the administrative problems involved in the development of adequate instruction in business administration are unlike those in LS&A; and that it is desirable to develop a separate administrative unit so that outside contacts with business concerns may be properly developed and maintained. Finally, he said that a separate school is imperative for the development of a professional spirit in the teaching staff and student body. These were

cogent arguments. He might also have said that the literature and methods of instruction of the field were sufficiently developed to justify the establishment of a separate unit devoted to professional education for students who eventually would hold business jobs.

Action on Professor Day's report was taken immediately after his presentation except on separation of economics and sociology which was approved later. Professor Day was appointed dean of the new School and to continue as chairman of the department of economics.

So December 4, 1923 should be considered as the official birthday of the Michigan School of Business Administration. Since the new School was to open in September, 1924, much had to be done in about ten months. One important problem was that of timing the shift in responsibility for business administration courses to the new

School. Apparently the economics staff wanted to continue such course offerings, for in the LS&A catalogue for 1923-24 the following statement appeared:

*“Attention is called to the new School of Business Administration which is to be opened at the beginning of the academic year 1924-25. Courses in business administration will be offered during the next three academic years both in the Department of Economics in the College of Literature, Science, and the Arts and in the School of Business Administration; but with the beginning of the year 1927-28, the courses will be withdrawn from the Department of Economics and instruction in Business Administration confined to the new school.”*<sup>2</sup>

The wisdom of postponing for three years a shifting of full responsibility for business courses to the new School seems doubtful in retrospect. Admittedly adjustment takes time, but duality in course offerings between the department of economics and the new School may have reduced enrollment in the School. A student who had satisfactorily completed the first three years in LS&A could take many business administration courses in the department of economics in his fourth year or he could enroll in the Business School and get an AB in one year and an MBA at the end of a second year. In fact, only 22 students enrolled in the Business School for the 1924-25 academic year.

One problem was solved when the Board of Regents made old Tappan Hall available as the future home of the new School. It was reasonably adequate for a quarter of a century but a new building was most welcome when completed in 1950. A much more difficult problem was staffing the new School; it was ably handled by Dean Day. There were several faculty members in economics, probably those who had strongly supported the establishment of a business school, who wished to become affiliated with it. They were professors Clare

E. Griffin in marketing, William A. (Bill) Paton in accounting, and Robert G. (Bob) Rodkey in finance, and a few assistant professors and instructors, among them Earl S. Wolaver in business law, Francis E. Ross and Seward L. Horner in accounting.

In all probability some of these faculty members had joint appointments in the new School and the Department of Economics. It is also likely that professors Paton, Griffin, and Rodkey were responsible for getting some students to enroll in the new School, that students followed faculty members whom they knew and revered. These professors, together with Clarence S. Yoakum, who was brought in from Carnegie Tech to teach personal management, constituted the senior faculty group. But the entire faculty was a judicious blending of Michigan and Harvard people. As would be expected, Dean Day brought with him a few young faculty members or recent graduates from Harvard. In a sense they constituted a junior faculty.

Among these Harvard people was Robert E. Masson in finance who had joined the economics department staff in 1922. Dean Day also recruited Olin W. Blackett for work in statistics, Margaret Elliot in personnel management, John P. Mitchell in business policy, and Carl L. Schmalz in retailing. So the new Business School had a corps of experienced people as well as a younger group who were well trained, enthusiastic, personable, and very much interested in the new School. This teaching staff provided an unusually good educational experience for a small group of students. Emphasis was placed on the analysis of business problems, management techniques, and research methods to get the necessary information for decision-making. Following the Harvard example, the case approach to teaching was most interesting to the students in the new School. Classes were small and the approach informal. At times some students suspected that the young instructors did not know

much more about their subjects than they did. But this was a healthy situation and they learned together. It was almost a tutorial relationship from which all benefited.

At the end of the two academic years thirteen students had met all the requirements for the MBA degree and received their degrees at the Commencement Exercises on June 14, 1926. It was a varied group, including three orientals (one Japanese, two Chinese) and two blacks (one of whom later received a PhD from Harvard). The other eight had varied ethnic backgrounds not unlike the total population of the United States. There was a particularly able student of Polish ancestry; others had Greek, Dutch, Swedish, and English ancestries. As to fields of activity, two went into banking and finance, three went on to get their PhDs and to teach in business schools, two went into manufacturing, and one became a lawyer. All were at least reasonably successful. The three orientals went back to the Far East and we were never able to contact them.

The class of 1926 was a very closely knit group. They have kept in very close touch over the years, and in fact had over eighty semi-annual reunions, undoubtedly a record for the University. One member of our group, F. Bradley Case and his wife Leona, had a cottage on a lake over near Pontiac. Most of our reunions were held there. As Professor M. H. (Jim) Waterman said, “These reunions have not been devoted entirely to scholarly discussions of economic and social problems.”

As an epilogue to this short article, a few later events merit attention. Members of the class of 1926 were impressed with Dean Day both as an individual and as the principal architect of the new Business School. However, he did not stay long at The University of Michigan. In 1926-1927, he asked for a one-year leave to join the Rockefeller Foundation as director for the social sciences. Professor Clare E. Griffin was appointed Acting Dean of the Business School.

<sup>2</sup>LS&A catalogue, 1923-24, Courses of Instruction, Economics, p.233.

After a year with the Rockefeller Foundation in New York, Dean Day resigned the deanship at Michigan and Professor Griffin was appointed dean, a position he held until 1945.

Some of the young faculty members who had come from Harvard also resigned. John P. Mitchell joined Dean Day at the Rockefeller Foundation, Robert L. Masson went back to Harvard, and Carl N. Schmalz became part owner and manager of one of the large department stores in Boston. Two of the Harvard people who came to the Business School in 1924 or soon thereafter, Professors Margaret Elliott Tracy and Olin W. Blackett, stayed at Michigan until retirement.

At one of the class reunions after W.W. II one of our members suggested that we should contact Dean Day to show our appreciation of his efforts in our behalf while at Michigan. We knew that he had been president of Cornell since 1937, that he was 66 years of age, and that he was withdrawing from the presidency in 1949. After due consideration we came to the conclusion that we should go to Ithaca to see him. So we connived with President Day's wife and his secretary on a date and a place for a meeting and planned our trip. Seven or eight members of the class went to Ithaca in late June, 1949.

President Day's wife and secretary had arranged for a talk at the Cornell Inn before a women's club group. Of course this assignment was fictitious. When President Day came down to the Cornell Inn to fulfill his scheduled assignment, members of the Class of 1926 were there to meet and greet him. He was very pleased to see us and to know that we had not forgotten his contribution to the establishment of a School of Business Administration at The University of Michigan. He reviewed his years at Michigan and his assignments in the years which followed. In retrospect, we could not have chosen a more appropriate time to visit President Day. He was just completing more than a decade as president of Cornell. Also our visit was just twenty-five years after our Business School began operations.

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## Faculty News Notes

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**Allen Spivey**, Clare E. Griffen Distinguished Professor of Business Administration and professor of statistics, is chairperson of an evaluation of the American Statistical Association/National Science Foundation/Bureau of the Census program on Research Fellows and Research Associates. This program was designed to bridge the gap between theory and practice by bringing university faculty members to the Census for a year's residence. In the eight years of the program's existence, approximately 50 persons in statistics, economics, demography, and other related fields have been brought to the Census from the U.S., Canada, Europe, and Japan. The evaluation will also address a recommendation that the program be expanded to include other large data-gathering organizations in the government such as the Bureau of Labor Statistics, Department of Agriculture, and the Board of Governors of the Federal Reserve System.

A paper by **Michael Hartzmark**, assistant professor of business economics, entitled, "The Effects of Changing Margin Levels on Futures Market Activity, the Composition of Traders in the Market, and Price Performance," appeared in the April issue of the *Journal of Business*. In May he presented his paper, "Regulating Futures Margin Requirements," at the Chicago Board of Trade Research Seminar. It then appeared in the *Review of Research in Futures Markets*. He has also been awarded a fellowship by the Olin Foundation to continue his research on the determinants of trader performance in futures markets.

**C. K. Prahalad**, associate professor of corporate strategy, was the chairman of the "kick off session" at the International Human Resource Management Symposium,



*Michael W. Maher has been promoted to full professor of accounting. He joined our faculty in 1975, and has done extensive research and publication in the fields of competition, regulation, and internal control in U.S. corporations.*

at INSEAD, France, organized by the University of Michigan and INSEAD. The topic was "Managing Radical Strategic Change: Limits to Leadership." The experiment at ICL, the British computer firm, was used as an example of strategic change in high technology multinationals. The chairman of ICL, Dr. Robb Wilmott, Gary Hamel (London Business School), Dr. Ian Mckinze (The Center for Business Strategy and Boston Consulting Group), and Ray Fields (ICL), also participated in the session. Prahalad also presented a paper, "Global Strategic Capability: A Challenge to Human Resource Management in the MNC," with Yves Doz at that symposium.

**Tom Kinnear**, professor of marketing, has been named to the editorial review board of the *Journal of Macromarketing*, and has been elected to a three year term as the academic director of the Association for Consumer Research.

An article by **Vern Terpstra**, professor of international business, entitled, "The Changing Environment of International Marketing," was the lead article in a recent issue of *International Marketing Review*. The paper was first presented at a professional meeting. The underlying research was then reported on by the UM Press Service, which led to coverage in a number of business and trade journals such as *Automotive News*, *Appliance Magazine*, etc., before appearing as a Journal article.

**Thomas Schriber**, professor of computer and information systems, gave the invited opening presentation at the "Simulation in Manufacturing" conference held in Detroit, March 10-12, by the Computer and Automated Systems Association of the Society of Manufacturing Engineering. The presentation was on the role of simulation in the design, justification, implementation, and operation of manufacturing systems. The conference focused on state-of-the-art simulation software and methodologies and their implications for manufacturing, including animation of simulation output and the role of simulation in designing General Motors' second officially designated Factory of the Future project.

**Noel Tichy**, professor of organizational behavior and industrial relations, is serving as manager of General Electric's Management Education Center in Crotonville, New York, during his leave of absence. Eight thousand managers a year are trained at that Center, and Noel says he wants to transform a very successful management development institute into a center for leadership development. He also says he is finding the educational innovations in industry phenomenal.

In her role as president-elect of the Association for Educational Communications and Technology, **Elaine Didier**, director of the Kresge Business Administration Library, recently presented two sessions at the annual conference of the Colorado Media Association.

She spoke on "Information Technology in Higher Education" and "Issues Facing Media Programs in the 80s and Beyond."

A paper by **Michael Johnson**, assistant professor of marketing, entitled, "Consumer Similarity Judgments: A Test of the Contrast Model," has been accepted for publication in *Psychology and Marketing*.

**Marilyn Mantei**, assistant professor of computer and information systems, was co-chair of a five-day conference on Human Factors in Computing Systems, held this spring in Boston. The conference was sponsored by SIGCHI, the Association for Computing Machinery's special interest group on computer and human interaction. Technical program topics were grouped into five areas: interface designs; interface design tools and techniques; user models; cooperative work; and task and interaction analysis.

*Management Science* has accepted a paper by **Kathryn Stecke**, associate professor of operations management. The paper is entitled, "A Branch and Bound Approach

for Machine Load Balancing in Flexible Manufacturing Systems." Stecke also reports that she chaired four invited sessions on various aspects of FMS (strategy, modeling, planning, and scheduling) at the spring TIMS/ORSA meeting in Los Angeles. In another session, she presented the paper, "Procedures to Determine Both Appropriate Production Ratios and Minimum Inventory Requirements to Maintain These Ratios in Flexible Manufacturing Systems."

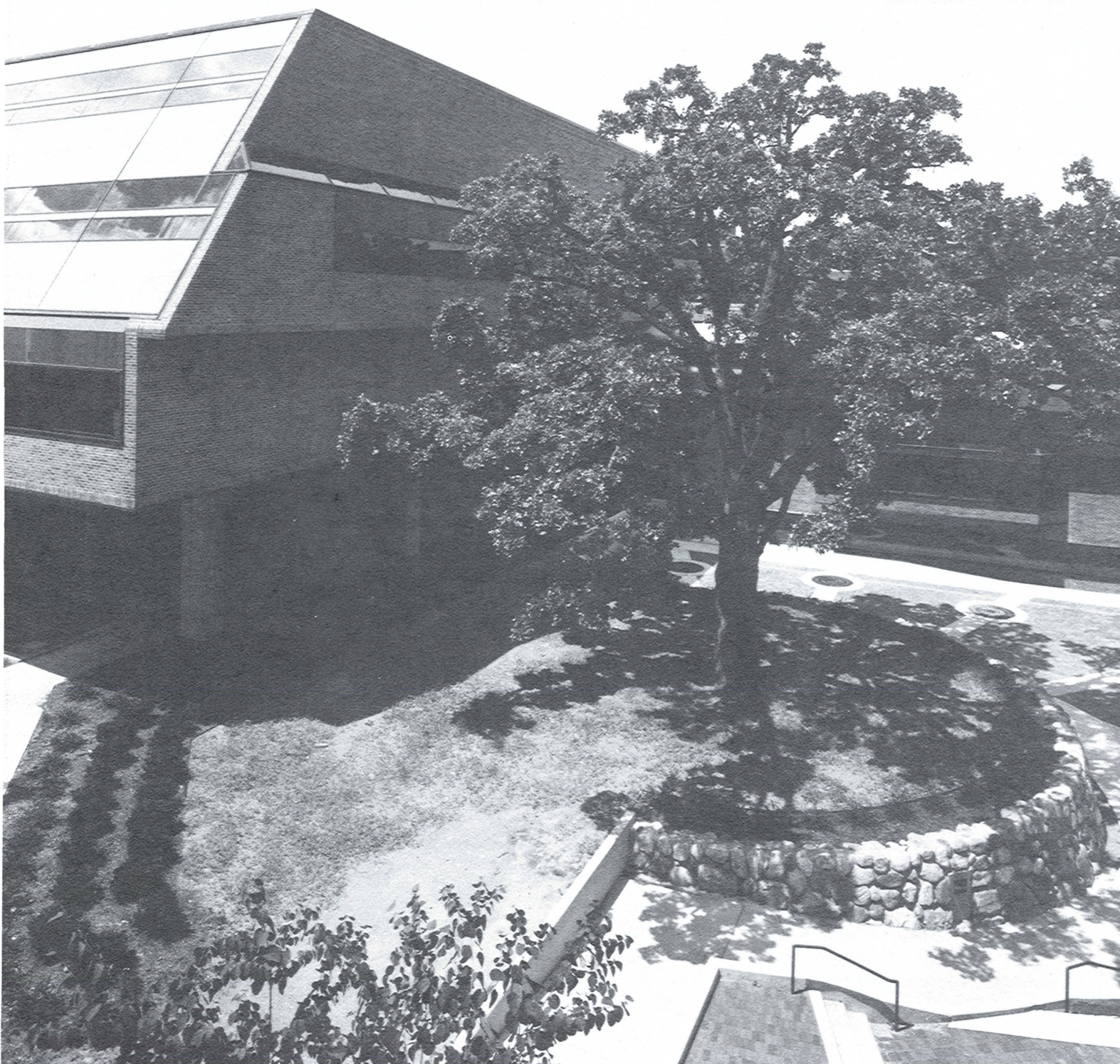
**David Blair**, assistant professor of computer and information systems, has had two articles accepted for publication: "Indeterminacy in the Subject Access to Documents" will appear in the journal *Information Processing and Management*, and "Full-Text Retrieval: Evaluation and Implications" will appear in *The International Journal of Classification*. He has also been invited to be the Keynote Speaker of the 1986 Science Information Subsection of the Pharmaceutical Manufacturers Association.

**LaRue Hosmer**, professor of corporate strategy, reports that his book, "Creating a Successful Business Plan for New Ventures," has been published in Japanese.



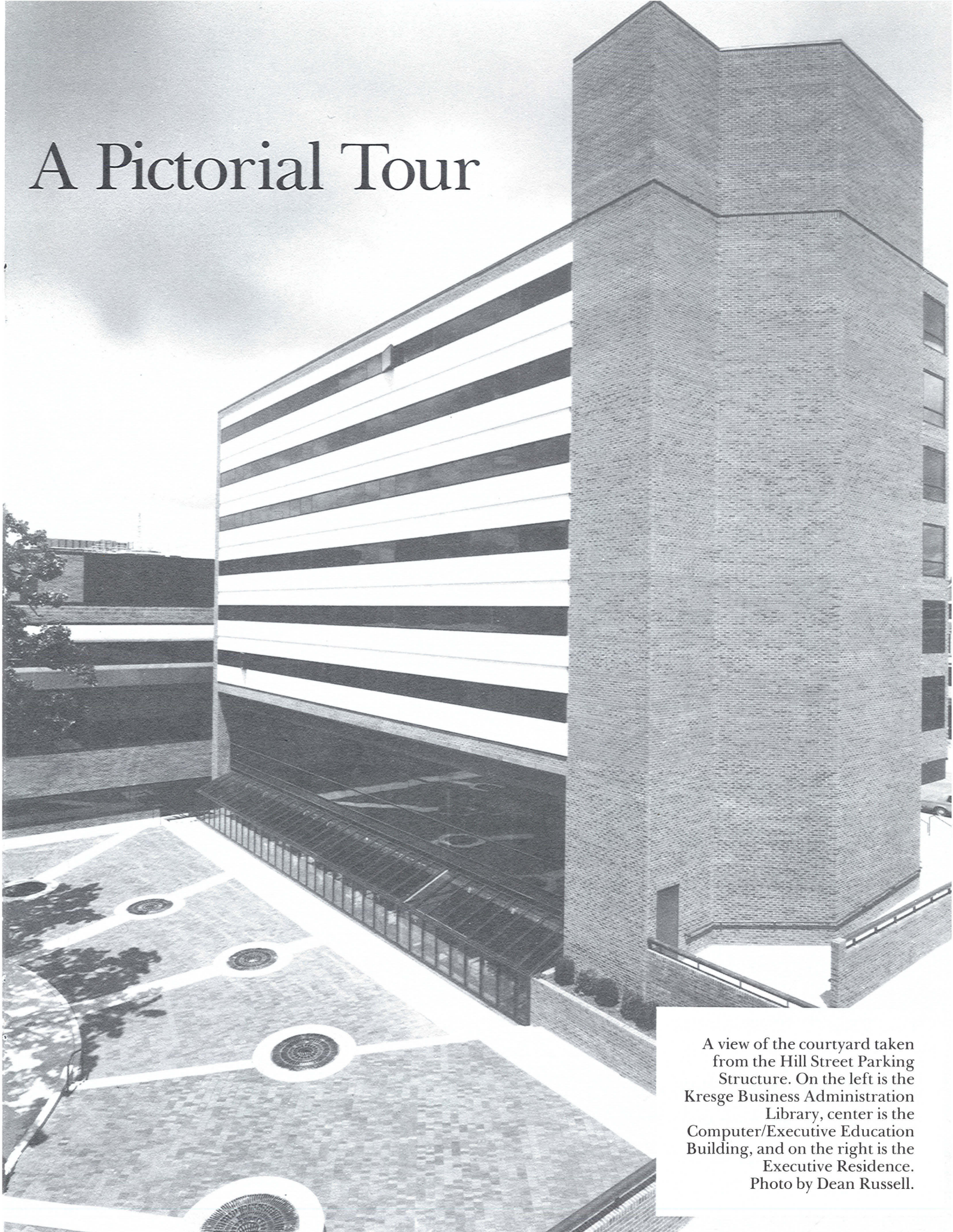
*Victor L. Bernard, newly promoted associate professor of accounting, joined our faculty in 1982. His current research activity is focused on econometric issues in market-based accounting research, and on the impact of inflation upon the distribution of the corporate income tax burden.*

# The Executive Residence:

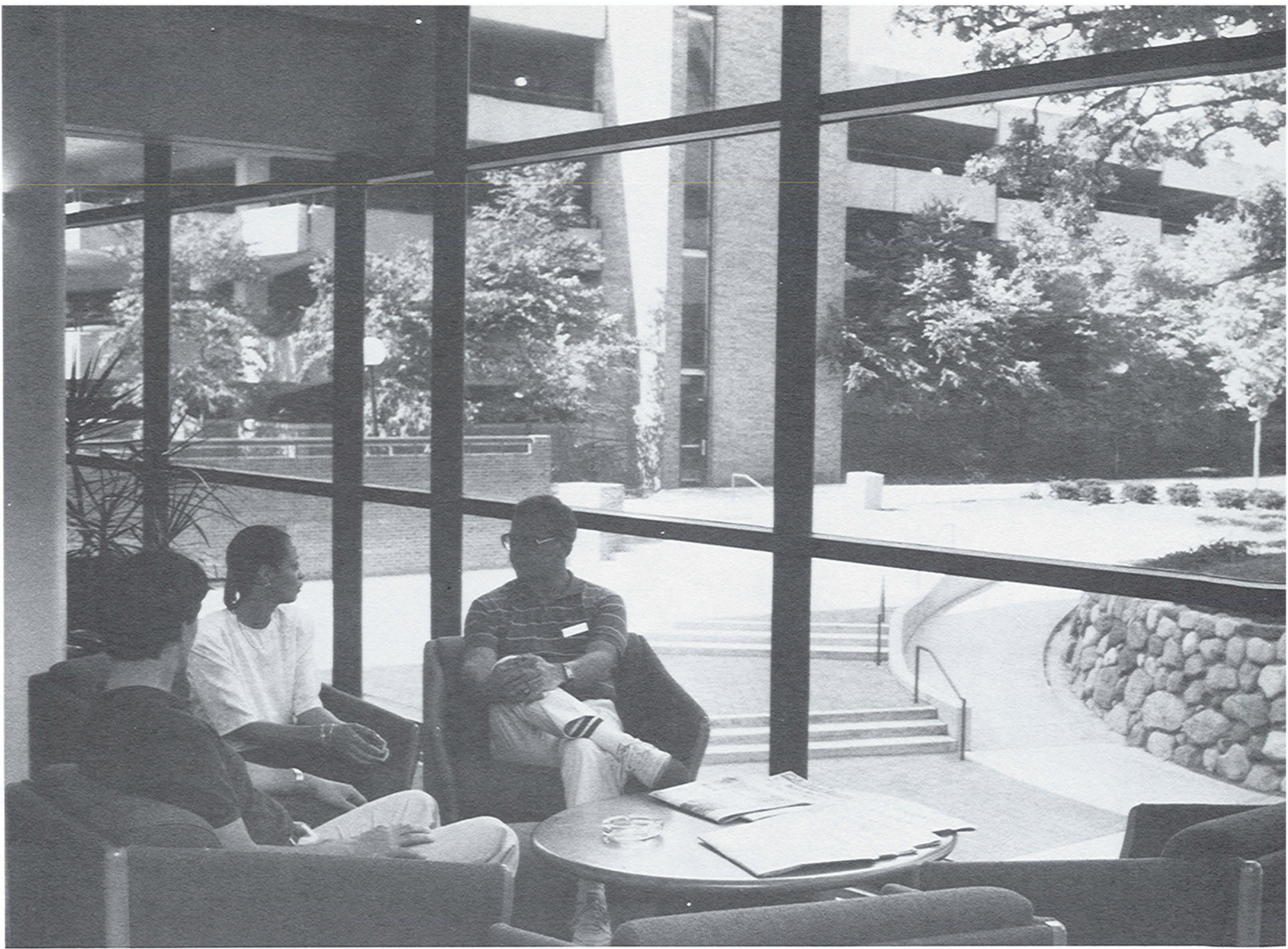




# A Pictorial Tour



A view of the courtyard taken from the Hill Street Parking Structure. On the left is the Kresge Business Administration Library, center is the Computer/Executive Education Building, and on the right is the Executive Residence. Photo by Dean Russell.



Rising seven stories above the campus, the Executive Residence which opened in April, offers distinctive accommodations for participants in the School's Executive Education programs.

**Above,** The Kalmbach Guest Lounge of the Executive Residence looks out on a spacious courtyard dominated by a large oak tree and equipped with tables and chairs for sitting outside on mild summer evenings. Here, you have a view of the courtyard and the Hill Street Parking structure which flanks the courtyard on the south side. This particular area of the lounge is often occupied by people reading the various daily newspapers provided by the Residence.



**Left,** one of the 96 guest rooms in the new facility. Each room includes a double bed, desk, private bath, phone, color television/monitor,



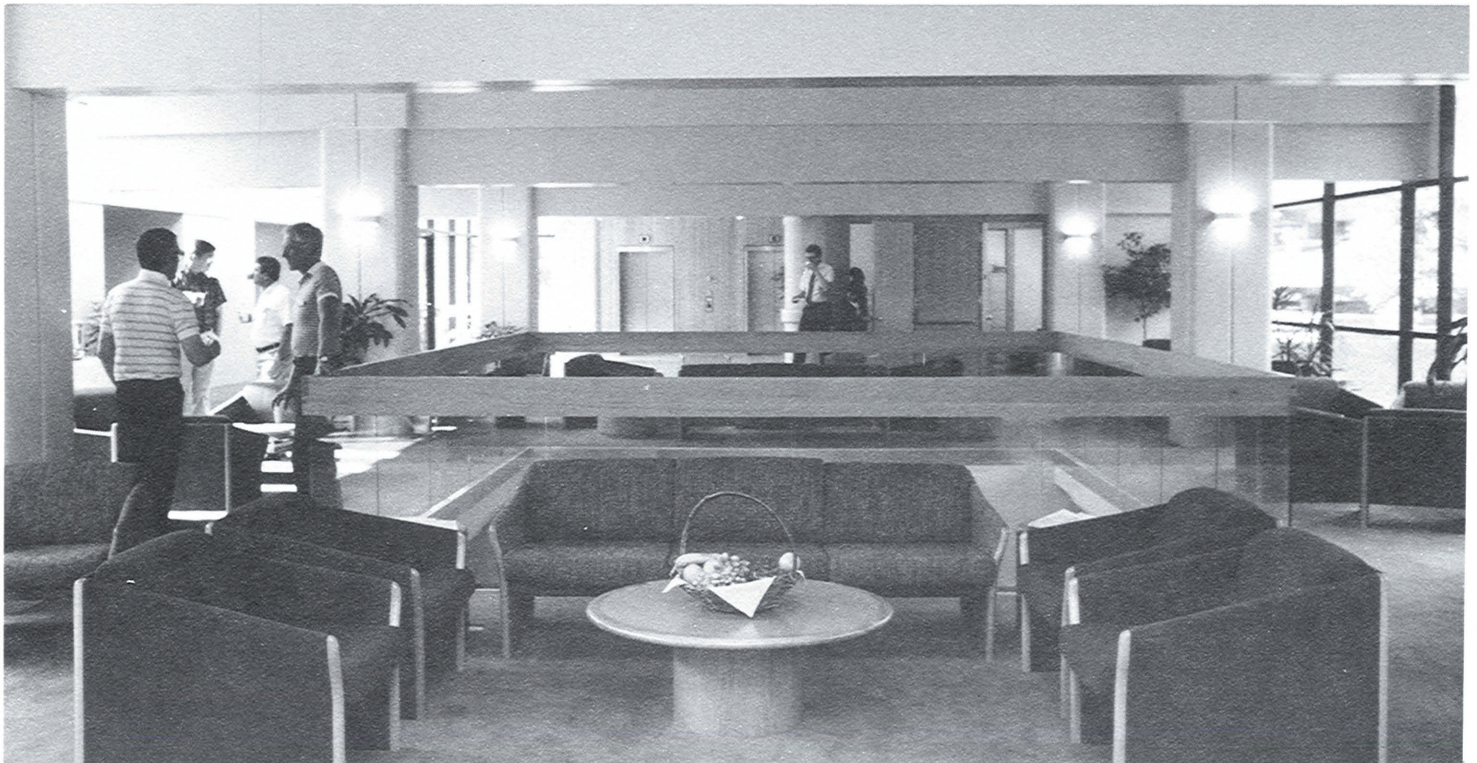
and individual heating and air conditioning units. One entire floor is expressly designated for non-smoking guests, and each of the six floors of guest rooms has a room specially designed for handicapped people.

**Right**, the dining room below the lounge seats 160 and looks out on the courtyard. Buffet-style breakfasts and lunches are followed by full course dinners, with all meals prepared and served by the Residence's accomplished culinary staff. Both as a convenience for guests and a means of enriching their learning experience, the Residence is located within the Business School Quadrangle, literally next door to classrooms, study areas, faculty offices, the Kresge Business Administration Library, and the School's computing center.

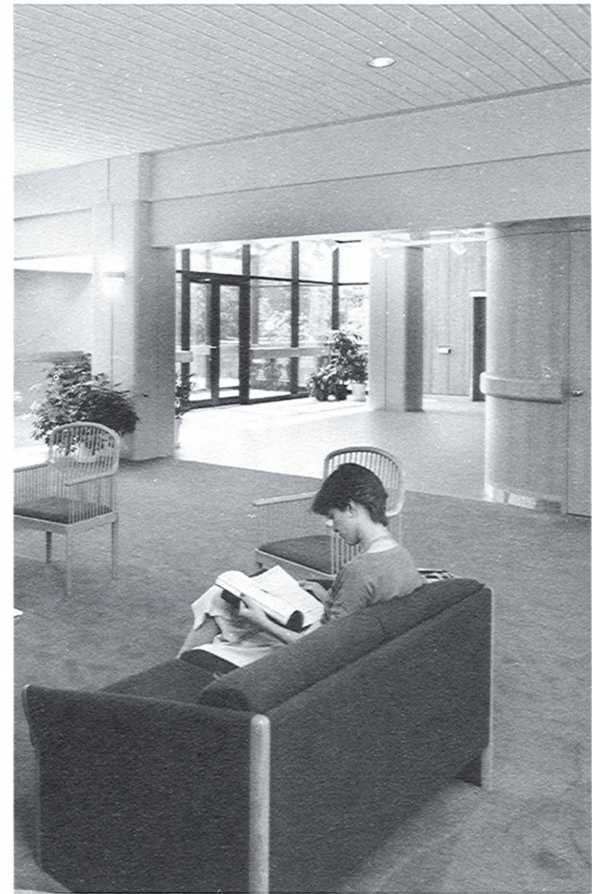


**Right**, a view of the main lounge during a coffee break between classes. In this picture, you can see the dining room below the lounge area.

**Below**, Gregory Knapp, director of the Residence, is pictured in his office. He received an MBA from Western Michigan, and has 11 years' experience in the restaurant and hotel industry.



In the Residence, special attention has been given to creating an agreeable after-class environment. This is particularly apparent in the large, handsomely furnished Kalmbach Guest Lounge and the Brown-Monroe limited-hours room reserved exclusively for guests. Pictured above, another view of the Lounge. The courtyard is on the right.



**Left**, a view of the courtyard, the lounge area, and the dining room. You can also see, reflected in the window, people enjoying coffee and fruit on the other side of the room.

**Above**, the entrance to the Executive Residence can be seen from one of the reading areas.

The completion of the Executive Residence represents the final phase of the School's \$15 million building campaign.

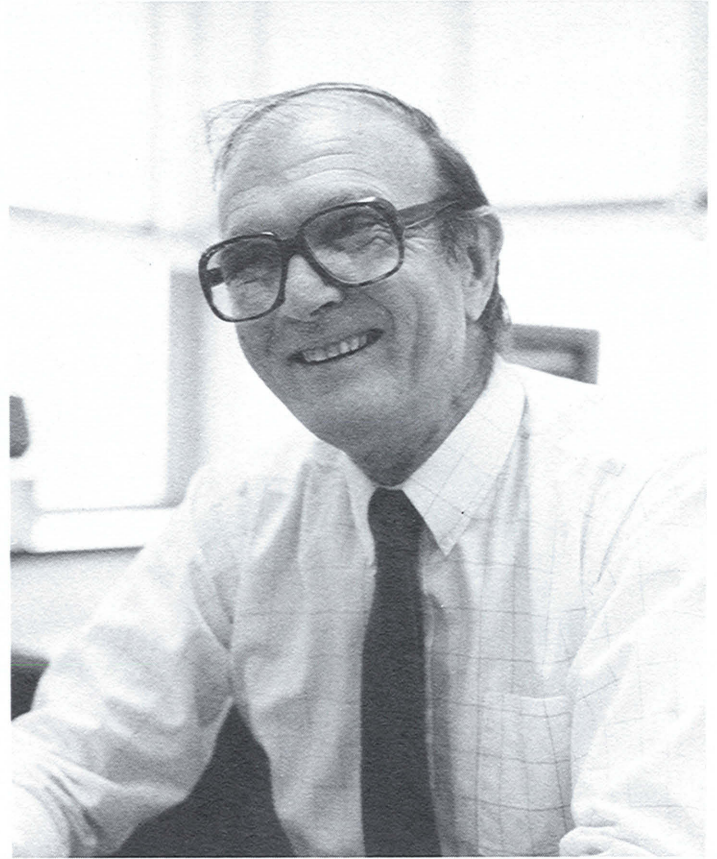
**Photos by Dean Russell**

# Among Ourselves

*An informal collection of items, including news of the faculty, of alumni, and of the school, and assorted other information, opinion or comment that we think will interest you.*



*Thomas C. Kinnear, associate dean of executive education and the MBA and BBA programs.*



*Edwin L. Miller, associate dean of research and the Ph.D. program.*

## **Professors Miller and Kinnear Appointed Associate Deans at B School**

Thomas C. Kinnear, professor of marketing, and Edwin L. Miller, professor of organizational behavior and industrial relations, have been named associate deans of the Business School.

Kinnear is associate dean supervising executive education and the MBA and BBA programs; and Miller is associate dean in charge of research and the Ph.D. program. Senior Associate Dean Donald H. Skadden has assumed responsibility for computing services.

The restructuring of the administration of the school was occasioned by the departure of Alan G. Merten, former associate dean of executive education and computing services, who became Dean of the College of Business at the University of Florida in Gainesville in June.

Miller, who received his B.A. and M.S. degrees from San Jose State College and his Ph.D. from the University of California, is a fellow of the Academy of Management and has been researching the

linkages between corporate strategic planning and strategic human resource management issues.

Kinnear, who holds a B.Comm. from Queen's University, an MBA from Harvard, and the Ph.D. from The University of Michigan, has published widely on public policy issues in marketing, particularly those affecting the environment and on planning and decision support systems in marketing.

## Technology Transfer Network Established

Small and mid-sized businesses and major corporations can now gain easy access to the research and development power of The University of Michigan and five other state institutions that have joined to form the Technology Transfer Network.

Created in October with funding from the Michigan Department of Commerce and the five universities, the network is designed to provide sources of technical and business assistance to companies with limited research and development assets.

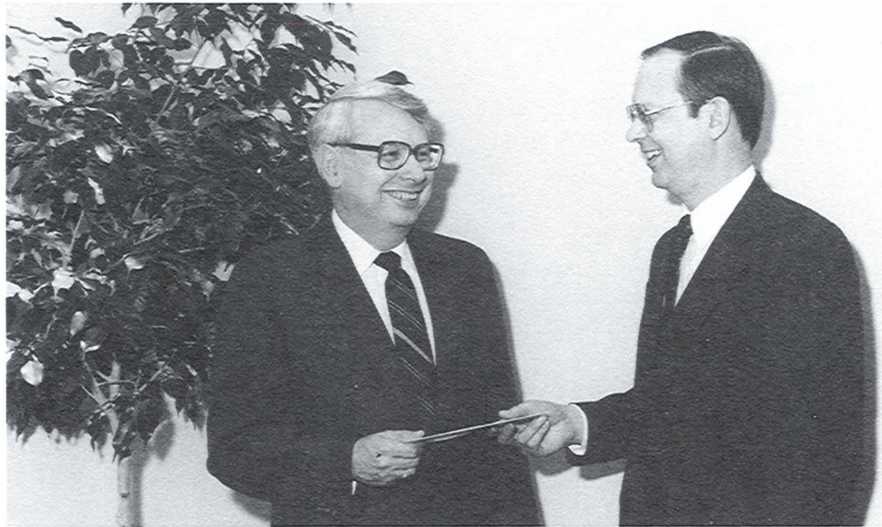
The Technology Transfer Centers are linked by computer, enabling them to make quick, coordinated responses to business requests. Businesses pay no fee for the initial contact and referral service of each center, or for much of the additional information and assistance.

"The network puts business representatives in contact with faculty members," said Alla Kan, director of U-M's Technology Transfer Center, located in the Special Projects Division of the Institute of Science and Technology. "The program also pays for a short consultation, up to about one day. Any further service can be negotiated between the business and the faculty member."

Services provided by the network include:

- Identification of resources needed to solve business problems.
- Direct assistance and technical problem-solving by faculty and researchers.
- Testing or research using university equipment or facilities.
- Joint research projects between businesses and universities.
- Evaluation of new or existing products, processes, or technology.
- Providing access to technical literature, data bases, and research findings.
- Referrals to state and local economic development agencies.

Kan said that since the U-M center opened, 30 to 35 businesses have sought assistance in such areas



*Leon J. Level, Burroughs vice president and treasurer (pictured right) presents two checks to Dean Gilbert R. Whitaker, Jr. as part of the ongoing partnership of the Burroughs corporation with the academic community. One gift, for \$200,000, is to support curriculum development projects at the Business School, and the other, for \$4,000, is to create a one-year student scholarship at the Business School. Level also presented checks to the School of Engineering for two one-year student scholarships. This is the second consecutive year that Burroughs has made scholarship donations to The University of Michigan as part of their corporate educational relations program, which supports a variety of research, scholarship and corporate affiliation programs. Burroughs and the Business School already have an ongoing multimillion dollar cooperative program in place to study methods of integrating computing into all aspects of business education.*

as ergonomics, marketing, waste treatment, materials testing, production scheduling, genetic research, chemical testing, and holography.

"It's too early to have a major success story to tell, although we have already provided a great deal of assistance," Kan said.

For example, one company needed an overseas marketing survey. Kan found a U-M business professor who had planned a trip to the same part of the world and agreed to do the survey.

When another business sought help with a grant application and needed a product tested, the center provided the grant information and had the testing performed in a U-M chemistry laboratory.

"If one center cannot provide the needed assistance, it contacts the others, and usually two or three will respond," Kan said. For example, a business client of the U-M center received assistance with packaging heavy equipment for shipment from the Technology Transfer Center at Michigan State.

## Placement Office Reports Another Record-Breaking Year

Three hundred and seventy-seven firms recruited this year at the Business School, conducting over 12,000 interviews. This represents a 13% increase over last year's number of companies. Fifty-two companies were recruiting at the Business School for the first time. Ninety companies recruited first year students for internships, as compared with 71 companies who recruited interns during 1985.

Offers to our 1986 MBAs ranged from \$18,000 to \$72,000 with a mean salary of \$37,500, up 7% over last year's mean. By comparison, a March, 1986 study of MBA offers conducted by the College Placement Council showed average salaries of \$28,764, down 10.9% from July, 1985.

Offers to our 1986 BBA graduates ranged from \$18,000 to \$35,500 with a mean salary of \$22,800, up 6% over last year's mean. The CPC survey mentioned above reported average salaries of undergraduate business students to be \$19,536.

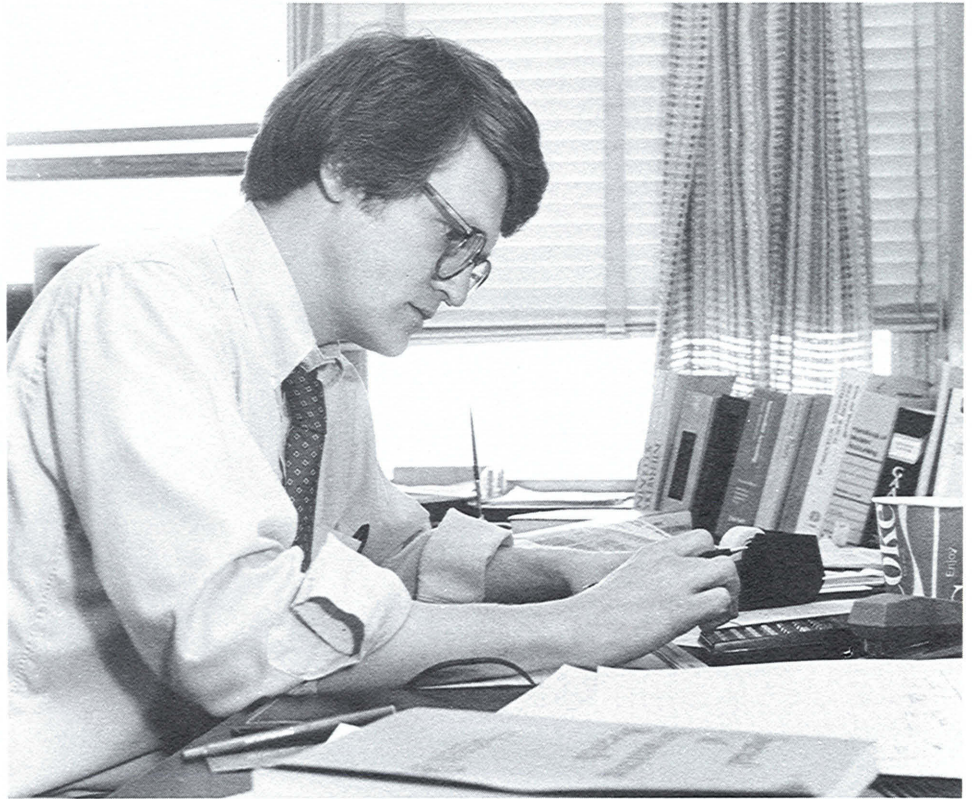
## David W. Wright Receives Award for Teaching Excellence

David W. Wright, assistant professor of accounting, has received the fifth annual Student Award for Teaching Excellence. The award was presented to him by James D. Krupiarz, second year MBA student, and Alison G. Simon, second year BBA student, on behalf of Student Council, which sponsors the award.

Here are some of the comments students made when nominating Wright for the award. "After the first accounting exam, he told the class that if you got an A but hate accounting, then it's not for you. If you got a B- but love accounting, then it's for you. This is good advice for all students in all majors." Another student wrote, "Professor Wright is an excellent motivator and makes students want to learn. Going into one of his tests, you felt that you wouldn't miss one point because he had prepared you so well."

Wright received his B.S. summa cum laude from Drake University, and his Ph.D. from Michigan State University. He worked as an audit senior and consulting actuary for Ernst & Whinney in Chicago from 1977 to 1980, when he began work on his Ph.D. His research interests are in auditing and financial accounting, specifically in analytical review procedures; statistical properties of accounting populations, and statistical sampling and testing in auditing.

Selection of the 1986 Teaching Excellence Award is based on student nominations, students' comments, and course evaluation scores. Previous winners of the award are: George D. Cameron III, professor of business law; C. K. Prahalad, associate professor of corporate strategy and operations management; W. A. Spivey, Clare E. Griffin Distinguished Professor of Business Administration and professor of statistics; and F. Brian Talbot, associate professor of operations management.



*David Wright, winner of the fifth annual Student Award for Teaching Excellence.*

## Meyer S. Ryder Dies in Florida

Meyer S. Ryder, professor emeritus of industrial relations, died June 4 in Florida after a long and successful career in the field of labor relations.

Dr. Ryder received his Ph.D. from the University of Chicago in political science and economics and his LL.B. from John Marshall Law School in Chicago. Before joining our faculty in 1952, he was regional director of the National Labor Relations Board; a lecturer in labor problems at the School of Business and Economics of Western Reserve University; general counsel of the International Association of Machinists; associate general counsel of the National Wage Stabilization Board in Washington, D.C.; and public chairman of the Michigan Regional Wage Stabilization Board.

In addition to his work on our faculty, he also served as a professional arbitrator of industrial relations disputes and served as chairman of a number of state and federal commissions appointed to investigate disputes.

## Our Executive Education Program Gets High Marks

An article in the February issue of *Personnel Administrator* discusses training and development by and for industry and particularly focuses on university-based executive education programs. They then publish a list which they say "is intended to provide a general indication of which university-based executive education programs are regarded as being of high quality by other universities."

The deans of 241 schools and colleges of business administration that are accredited by the American Assembly of Collegiate Schools of Business were asked to list the top five university-based executive education programs. Ninety-two institutions responded. The top five programs, in order, were: Harvard, Stanford, Northwestern, Wharton, and the University of Michigan. The second five included Columbia, the University of Chicago, M.I.T., the University of Virginia, and Indiana.



## John Edman, BBA '50, MBA '51, Accepts National Major Gifts Chairmanship for the Campaign for Michigan

University of Michigan alumnus John R. Edman, BBA '50, MBA '51, has been named national chairman for major gifts for U-M's Campaign for Michigan. Edman is vice president and group executive, Finance Group, with General Motors Corporation.

The Campaign, launched in 1983, is seeking to raise \$160 million in private gifts for the U-M for endowment and selected facility projects. So far, approximately \$119 million, or 74 percent has been raised.

Jon Cosovich, U-M vice president for development and communication, said that Edman "accepts this new post at a key point in the Campaign. Now at the three-quarter mark, we are entering the final phase of the Campaign. Mr. Edman has the expertise to help push this last leg of the Campaign to a successful completion."

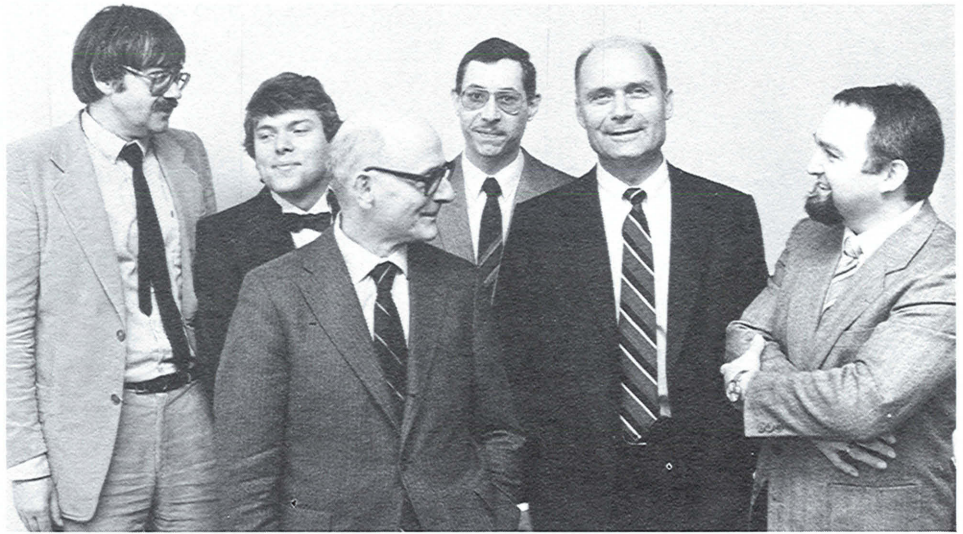
Under Edman's leadership, major gifts will be solicited, with special emphasis on large leadership gifts. As national major gifts chairman, he will work with Campaign Chairman Robert E. Nederlander and with other national volunteer leadership through the close of the Campaign in 1987.

Edman is area co-chairman of the Campaign in southeastern Michigan; he also serves as chairman of our Development Advisory Board and was the volunteer general chairman of the Business School's \$15 million capital campaign for new facilities.

Dean Gilbert R. Whitaker, Jr. said, "Edman is the most committed volunteer I have ever met. He has been an inspiration to the faculty and administration of the Business School and will surely do a terrific job for the Campaign."

Edman is a life member of U-M's Alumni Association, a Presidents Club member and is recognized as a U-M Benefactor.

Edman, who joined General Motors in 1951, held positions as comptroller and treasurer before leading the Finance Group.



*Pictured at the founding meeting of the U-M West German Alumni Club are (left to right) Dr. Joseph C. Schopp, a guest lecturer; Erik D. Sonnemann, one of the founders of the Club; Dr. Rudolf Richter, professor of economics at Saarland University and a U of M alumnus; Hartmut H. Leser, the other founder of the Club; Dr. Gunter Dufey, professor of international business and finance at the U of M Business School who gave a guest lecture at the founding meeting; and Hartmut Gimmler, director of the German-American Institute in Saarbrücken. (Photo by Werner Wunderlich — copyright by Pressefoto)*

## U of M Alumni Club Organized in West Germany

This fall, the U of M Alumni Club of West Germany is planning a series of lectures in Saarbrücken with the best experts in West Germany. Among topics to be covered are financial accounting in the USA; introduction to American law; tax reform in the USA; and antitrust law in the USA.

The German Alumni Club was founded on the initiative of two former German exchange students — Hartmut Leser and Erik Sonnemann. The club has already organized two guest lectures and a symposium of presentations by members of the faculty of law and economic sciences of the University of Saarbrücken. The club has contacted over 250 U of M alumni in Germany, Switzerland, and Austria.

Formal inauguration of the club took place January 24, 1986 with Business School Professor Gunter Dufey giving a talk on "Innovation in Financial Markets."

If you would like further information about the club and its programs, you are invited to get in touch with the club, c/o Sekretariat Professor Dr. R. Richter, Universität des Saarlandes, Bau 31, 6600 Saarbrücken, FR Germany. Telephone 0681-302-3582.

## Unrestricted Endowment Fund Established

Endowment funds provide the equity capital that allows the Business School to seize promising opportunities when they arise. For example, additional funding through endowment income would make it possible to pursue unforeseen opportunities resulting from a faculty member's research.

An unrestricted endowment fund has been established, and a gift or pledge of \$50,000 or more will be invested permanently to support the School's endowment. Pledges may be paid over a three to five year period.

Rewards from resources committed to endowment will have an effect just as lasting as resources committed to bricks and mortar, because endowment influences what happens within the walls of the buildings — the quality of students; of faculty; the resources available for the development of knowledge.



*Sanford R. Robertson, BBA '53,  
MBA '54*

### **Wall Street Journal's Front Page Carries Two Items on the B School**

The front page of the Wall Street Journals of May 6 and of June 3 both carried items that included the Michigan Business School. The first was about applications for admission to leading business schools; the second concerned starting salaries for college graduates and MBAs.

Applications to the Business School are up 15% over last year, according to Judith Goodman, Director of Admissions and Student Services. The WSJ article went on to say that applications to Harvard are up 15%; to Wharton, up 19%; and that Columbia and NYU also report a rise in their applications. Stanford, however, according to the WSJ article, reports a drop in its applicant pool from 4,600 last year to 3,800 this year. Although the Silicon Valley slump may be partially responsible for the drop, Stanford's acting director of admissions says he thinks Stanford may have been too successful in telling candidates they have to be "special" to win one of the 318 seats in the MBA class.

The June 3 WSJ article reported that University of Michigan MBAs are getting pay offers ranging from \$18,000 to \$72,000, up 7% from 1985.

### **B School Annual Fund Chairmen Change from Westover to Robertson**

Sanford R. Robertson, BBA '53, MBA '54, is the new national chairman of the Business School annual fund. He takes over the job from Frank T. Westover, BBA '61, MBA '62, who completed his three year term as national chairman.

Robertson is a founding partner of the investment banking firm of Robertson, Colman & Stephens. He is a member of the Business School's Development Advisory Board and was a valuable volunteer during our recently completed building campaign. He also is co-chairman of the west coast region of the Campaign for Michigan.

Westover is senior vice president and controller of IC Industries, Inc. He also is a member of the Development Advisory Board and plans to continue to be active in the Annual Fund effort. Westover has been involved with the Chicago Phonathons since their beginning in 1980 and helped launch each Student Pledge Campaign by attending the kickoff event each year since 1984.

This year, we are hoping to increase the number of alumni donors to the annual fund. Our alumni will be contacted by telephone as part of the All Alumni Effort of the Campaign for Michigan, which aims to get in touch with all 260,000 graduates of the three campuses of The University of Michigan. Although each alumnus/a will be contacted under the umbrella of the Campaign for Michigan, their gifts will be allocated to the school or college from which they graduated. Thus your gift, as an alumnus/a of the Business School, will be counted twice: once as a gift to the Business School, and once as a gift to the Campaign for Michigan.



*Frank T. Westover, BBA '61, MBA '62*

### **Named Term Scholarship Fund Available for Donors**

Alumni and friends of the Business School can now establish a named fund to provide scholarships for the year of the gift. To establish a named term fund, donors are asked to consider an annual gift of \$3,500 for a period of three to five years. The scholarship fund established by such a commitment can be named in honor or in memory of an individual.

Scholarship support is an increasingly critical need at the Business School and one of our major goals over the next few years is to expand substantially our ability to meet this important need.

The term scholarship fund can be converted into a permanently endowed scholarship fund if the donor decides at some future time to make that commitment. At that time, the gifts to the term scholarship fund would be credited toward the permanently endowed fund. Donors interested in establishing a term fund are encouraged to consider a five year pledge of \$17,500 to establish such a program; donors interested in establishing a permanently endowed scholarship fund are asked to make a gift or pledge of \$50,000 or more over a three to five year period.

**Martha R. Seger, BBA '54,  
MBA '55, Ph.D. '71,  
Governor of the Fed,  
Delivers McNally Lecture**

Martha R. Seger, BBA '54, MBA '55, Ph.D. '71, member of the Board of Governors of the Federal Reserve System, delivered the 19th annual William K. McNally Memorial Lecture in April in Hale Auditorium. She discussed, "The Challenges Facing Bank Regulators in a Changing Financial Environment."

Following the lecture, a reception was held in the lobby of the Assembly Hall.

As a member of the Federal Reserve Board, Seger also is a voting member of the Federal Open Market Committee and directly involved in the formulation and execution of American monetary policy.

Seger served for two years as state banking commissioner, appointed by former Gov. William Milliken. From 1974-76 she was vice president and chief economist for the Bank of the Commonwealth and from 1967-74 she was chief economist for Detroit Bank & Trust. She also has taught at Oakland University, the University of Michigan, Central Michigan University, and the University of Windsor.

The McNally Lecture is named in memory of former U-M Regent William K. McNally and supported by an endowment fund established by his friends.

Past McNally lecturers have included Harold Brown, former secretary of the Department of Defense; Arjay Miller, former president of Ford Motor Company; Murray Weidenbaum, first chairman of President Reagan's Council of Economic Advisors, and William S. Rukeyser, Managing Editor of Fortune Magazine.

**Memorial Fund Established  
to Honor Prof. Thomas Gies**

A fund for the financial assistance of graduate students has been established in memory of Professor of Finance, Thomas G. Gies, who died in July, 1985 after a long illness.

Robert H. Bluestein, MBA '69, vice president of Goldman, Sachs & Co., is heading up the Thomas G. Gies Fund for Graduate Assistance. "We think that a most fitting tribute for Tom would be this kind of a fund: for MBAs — so many of whom in the past had the benefit of Tom's instruction; and for Ph.D. candidates — to ensure that we will continue to develop teachers of Tom's calibre," said Bluestein.

Student fellowships and loans add up to one of the School's largest financial commitments and will continue to grow. As the number of high quality applicants continues to rise, alumni and friends can help assure that competitive financial aid packages will be available to sought-after students.

Those wishing to make a tax deductible contribution to the Fund should send their check made out to The University of Michigan, to the Thomas G. Gies Fund for Graduate Assistance, Development Office, School of Business Administration, The University of Michigan, Ann Arbor, Michigan 48109-1234.

**The One Minute  
Manager Gets Fit**

The three co-authors of "The One Minute Manager Gets Fit" gave a seminar on that topic at the Business School in June.

Sponsored by the Division of Executive Education, the seminar was designed for professionals who want to improve their health and the health of their organizations. Other sponsors were the U-M Fitness Research Center and Gets Fit Inc.

The co-authors of "The One Minute Manager Gets Fit" are

Kenneth Blanchard, Dee W. Edgington, and Marjorie Blanchard.

Kenneth Blanchard, co-founder and co-chairman of Blanchard Training and Development Inc., is nationally prominent in the fields of leadership, motivation, and management change. Dee W. Edgington, professor and director of the Division of Physical Education at U-M, has served as a health and lifestyle consultant for many Fortune 500 companies. His work with the Health Risk Appraisal and Lifestyle Analysis Questionnaire is considered a model for corporate wellness development plans. Marjorie Blanchard, co-founder and co-chairman of Blanchard Training and Development, is widely known for her expertise in communication, leadership, health promotion, life planning, and team building.

**Six Speakers Featured in  
Spring Alumni Programs**

Computers, the economy, and changes in the telecommunications industry were all topics of alumni programs held in the spring at locations around the country.

**New York City**

"People and Computers at Work" was the title of the program held in April at the Harvard Club in New York City. The speaker was Judith Reitman Olson, associate professor of computer and information systems. Dr. Olson received her Ph.D. in experimental/mathematical psychology from the U-M in 1969, and taught here for ten years before joining Bell Laboratories in 1980. There she headed a group of human factors people who researched and designed user-interfaces for large software-based communication products. She joined our faculty in 1983 to teach and do research on the design and evaluation of computer systems for business. In addition, she is director of the laboratory on Human-Computer Interaction, a group of researchers from psychology, business, engineering, and computer science interested in computer design, instruction, and use.

## San Francisco

Donald G. Prigmore, MBA '58, president of GTE Sprint Communications Corporation, spoke to San Francisco alumni in June on changes and trends in the telecommunications industry. The luncheon meeting was held at the Westin St. Francis Hotel. Prigmore began his career with GTE in 1958 as an engineer. In 1966, he became division manager, and in 1969 moved to corporate headquarters in Stamford, Conn., where he served as plant director for GTE Service Corporation. He became vice president of Operations for General Telephone Company of Indiana in 1972, and of the southwest from 1976 to 1978, when he was named vice president of marketing and customer service for GTE Southern Region Telephone Operating Group. He then became president of General Telephone Company of Michigan and in 1981 was appointed president of the Consolidated General Telephone Companies of the Southeast and Kentucky. In 1984, he was named president of GTE Sprint Communications Corporation.

## Dallas

Paul McCracken, Edmund Ezra Day University Professor of Business Administration, spoke to Dallas alumni in April on "1986: The Economy's Big Chance." Dr. McCracken served as a member of the President's Council of Economic Advisers from 1956-59, and returned to the Council as its chairman in 1969 to serve for three years. He is now a member of the Economic Policy Advisory Board formed by President Reagan. He holds the AB degree from William Penn College, Oskaloosa, Iowa, and the MA and Ph.D. from Harvard University in economics. He also holds honorary degrees from Albion, Berea, Huron, and Iowa Wesleyan colleges. He is the author of numerous papers and monographs on economic and financial policy and has lectured and traveled throughout the world, participating in national and international economic commissions and task forces.

## *Sorry About That!*

Business information on the following people was inadvertently omitted from the 1986 Alumni Directory. We apologize for the omissions.

Roman Krauss works for Roman Krauss Realtors, 236 James Road, Columbus, Ohio 43213, (614) 231-8223.

Susan Sebulsky is a product manager for Noxell Corp., Hunt Valley, Maryland 21030, (301) 628-4494.

Edward Coppola is a Loans/Claims Officer with the Export-Import Bank of the U.S., 811 Vermont Avenue NW, Washington, D.C. 20571.

William F. Culman is a consultant, working at 4338 Redwood Avenue #201, Marina Del Rey, California 90292.

## Detroit

Two programs were scheduled in the spring and summer for Detroit alumni. In April, Professor Robert E. Cole spoke on quality improvement efforts in the U.S., and in June, U-M Vice Provost for Information Technology, Douglas E. Van Houweling spoke on information technology and higher education. Both meetings were held in the Renaissance Center over the lunch hour.

Cole is professor of organizational behavior and industrial relations at the Business School and professor of sociology at the U-M. For six years he was director of the U-M Center for Japanese Studies. He began his work in Japan in 1963 on a Ford Foundation grant. His research included working in a die cast plant and on the clutch assembly line of an auto parts plant and resulted in his first book, "Japanese Blue Collar." Since the early 1970s, he has focused on Japanese participatory work

structures, particularly quality control circles. Most recently he has broadened his interest to research issues of Japanese management and quality. He is U.S. Project Director for the International Auto Industry Forum, and a member of the board of directors of the International Association of Quality Circles and the American Productivity Center.

Van Houweling is responsible for coordinating and developing the University's computing and telecommunications systems. These systems encompass several campuses, colleges, schools, and departments, and it is Van Houweling's goal to enhance the integration and coherence of information processing among these various units. Van Houweling came to Michigan from Carnegie-Mellon University where he was Vice Provost for Computing and Planning from 1981 to 1984. There he became nationally recognized for his direction of one of the most advanced and broadly distributed programs for the use of networked personal computers. He has also been active in inter-university initiatives in computing and networking, and is a principal investigator for the Inter-University Consortium for Educational Computing.

## Chicago

Dean Gilbert R. Whitaker, Jr. met with Chicago alumni over lunch in June to bring them up to date. The last five years at the Business School have been an exciting period of growth in all areas, and the Dean discussed the new developments and participated in an information discussion.

## Los Angeles

Edwin L. Miller, professor of industrial relations and associate dean for research of the Business School, talked to alumni in the Los Angeles and Orange County areas in June on Human Resource Management and International Strategic Planning.

# Class Notes

**'31** EDGAR E. MAPES, MBA '31, died last February at 78. For 32 years, until his retirement in 1970, Edgar worked for the Nassau County Comptrollers Office as assistant comptroller. He joined the Freeport Methodist Church in 1936 and went on its official board the following year. He remained on the board until his death, serving as secretary and then, for 30 years, as treasurer. During World War II, Edgar served in the European Theater in the U.S. Army Quartermaster's Corp, 44th Division.

**'33** EARL T. HUCKLE, MBA '33, has retired from his position with the Cadillac Evening News. He had partially retired as editor and publisher in 1971. During the past 12 years, he and his wife have traveled extensively throughout the world, and to date have visited 38 countries.

**'49** RAYMOND A. VAN HOUTTE, BBA '49, is president and CEO of Tompkins County Trust Company in Ithaca, New York. He became president in January, 1973, after four years of service as vice president. Before that, Raymond spent eight years with Ithaca Gun Company, serving as treasurer, controller, director, general counsel, vice president, and president. He became a certified public accountant in 1954 and the following year was awarded a law degree from the University of Connecticut School of Law. He was admitted to the Connecticut Bar in 1955 and the New York Bar in 1963. He is also a graduate of the Stonier Graduate School of Banking at Rutgers University. In September, 1983, Raymond was appointed by Governor Cuomo to serve on the Temporary State Commission on Banking, Insurance and Financial Services. In May, 1984, he was

## *Jack Van Osdol, BBA '47, Retires from First Interstate Bank of Hawaii*

Through the years, Jack Van Osdol, BBA '47, has been the director, chairman, or president of 52 community organizations in Hawaii. He's one of the founders of the American Institute of Banking (and sat on their board of directors), of Junior Achievement, of Campfire Girls, and of the Hawaii Bankers Association. Now he is retiring as head of the Trust Department at the First Interstate Bank of Hawaii in Honolulu.

Jack, who is famous for his sunshiny disposition, has now completed his first novel, and his first task after retirement will be

a concentrated effort to find a publisher. The novel is about a young sailor and how he evolves through his wartime experiences. Jack wrote the novel by getting up at 4 a.m. on weekend days and writing for six to seven hours for the past six years. He is now hard at work on his second book.

An article about Jack in the Bank's newsletter says he's lived his life "always touching those around him with commitment, sincerity, and dedication. He's never even missed a day of work in his business life. He's amazing."

appointed by the governor to serve on the Southern Tier Regional Economic Development Council. Raymond is the author of Responsibilities of Bank Directors, which is in its third printing. He is also a lecturer at Ithaca College and Cornell University. Raymond and his wife have three children: Raymond, Jonathan, and Nancy.

**'51** EDWARD W. QUINN, MBA '51, former president and founding partner of Quinn & Johnson advertising agency, has been elected to the board of directors of The Nimrod Press, a Boston-based printing company that ranks among the top 250 printers nationally. Edward lives in Dennis, Massachusetts.

THOMAS A. STENGLIN, BBA '51, is president and CEO of Photonic Automation, Inc., a company he founded in 1983. Photonic, which

manufactures systems for high speed inspection and process control applications in the electronics industry, is located in Santa Ana, California. Tom's latest development is 3-D technology better able to inspect hybrid circuits and loaded printed wiring boards. He and his wife Judith have three children: Lindsay, Bart, and Beth.

**'53** JAMES C. HOLMES, MBA '53, is chairman of Holmes & Layton, Inc., a real estate appraisal and counseling firm. Jim, who lives in Bloomfield Hills, Michigan, was an adjunct professor of real estate at Michigan for over ten years.

**'54** DOUGLAS M. JEANNERO, BBA '51, MBA '54, retired last year as vice president, finance, at Gerber Products Co. in Fremont, Michigan.

*Louis J. Willie, MBA '47, is President of Booker T. Washington Insurance Co.*

Louis J. Willie, MBA '47, has been named president of Booker T. Washington Insurance Company by its CEO and founder, Dr. A. G. Gaston. Willie has been with the company since 1952 in a variety of positions including controller, agency director, and executive vice president.

A former president of the Birmingham Board of the Federal Reserve Bank of Atlanta, Willie is on the boards of Alabama Power Company, AmSouth Bank, United Way of Central Alabama, and various other corporate and civic boards. He was honored last year for community service by the National Conference of Christians and Jews. He is also vice president and secretary of the Citizens Federal Savings Bank of Birmingham.



*Louis J. Willie*

**'58** DAVID E. ENGELBERT, BBA '58, is moving both his home and his investment advisory service to Ann Arbor. David is also a co-director of the Benard L. Maas Foundation, which supports many University of Michigan scholarship programs. All three of David's children will be attending the University of Michigan this fall. "Coming home to Michigan," David writes, "is indeed a dream come true!"

WILFRID L. HUFTON, MBA '58, began last April as project manager, charity hospitals, for Saudi Charter Medical, Ltd., in Saudi Arabia. "Although Saudi is managed for the Yemen Ministry of Health," he writes, "it is right up to date and going well beyond primary care. It has 56 beds, 100%-plus occupancy, 800 outpatients, 15 general practitioners, and 18 specialists. We introduced laser surgery in ophthalmology this year, and we treat many diseases not seen in the Western world. The past 2 years in the Yemen Arab Republic were marvelous — I recommend the

country to anyone looking for a trip into the past." Wilfrid was president and CEO of Saginaw Osteopathic Hospital from 1978-83, and was manager of the Saginaw Medical Center from 1973-78.

*Achiel Wanket, MBA '57, Receives Meritorious Executive Award*

Achiel E. Wanket, MBA '57, chief of engineering for the U.S. Army Corps of Engineers, South Pacific Division, has received the Presidential Meritorious Executive Award at a ceremony in Washington, D.C.

Wanket is a member of the Senior Executive Service, a separate personnel system for executive level employees who set policy and administer programs at the top levels of government. Only senior executive service employees are eligible for the Presidential Meritorious Executive Award.

**'59** WILLARD "BILL" TAYLER, BBA '59, has been appointed vice president, operations, for the Neway Division of Lear Siegler, Inc., in Muskegon, Michigan. Bill is now responsible for all purchasing, quality control, material control, manufacturing engineering, and manufacturing functions for this division, which markets air and mechanical suspension systems for trailers, trucks, tractors, and mass-transit vehicles.

**'64** WADE HOTSENPILLER, MBA '64, was elected president and a member of the board of directors of Washington Federal Savings and Loan Association in Washington, D.C. Wade joined the association in March, 1985, as executive vice president and chief operating officer. He served in a similar position at Perpetual American Bank for seven years and was with Arthur Andersen & Company for 12 years. Washington Federal currently has 14 branches in the District of Columbia, with assets of approximately \$1 billion. Wade lives in Great Falls, Virginia.

CLELL C. BOYER, JR., MBA '64, is a staff attorney for The Upjohn Company in Kalamazoo, Michigan, representing engineering and maintenance, corporate tax staff

and a manufacturing subsidiary in Puerto Rico. Before he joined this company in 1978, Clell was on the general counsel's staff at Federal Mogul Corp. Before that, he was an attorney for P. J. Valentino, P.C., in Pontiac and a prosecuting attorney for Oakland County, Michigan. Clell earned his JD from Wayne State University in 1968.

**'65** HENDRICK STRUIK, MBA '65, is director of operations for Eli Lilly & Company in Geneva, Switzerland. He has worked for the company since he graduated, serving in the United Kingdom, Germany, France, Japan, and Italy. He is now responsible for the pharmaceutical and agricultural lines of Lilly products in African, Near Eastern, and Eastern Mediterranean markets. "As a consequence," Hendrick writes, "I travel about 30% of the time, mostly directing the business, meeting government officials and searching for opportunities to improve our relationships." Hendrick's son will enter the University of Michigan this fall.

**'66** JOHN D. HURD, BBA '64, MBA '66, was appointed last May as president of Mohegan Community College in Norwich, Connecticut. He had been vice president of Washtenaw Community College in Ann Arbor.

ROBERT M. BOEKE, BBA '66, has been promoted to full professor of business law at Delta College in University City, Michigan. He is a former winner of the Bergstein Award for teaching excellence. Robert, who was awarded a JD from the University of Wisconsin school of law in 1969, is licensed to practice law in both Wisconsin and Michigan, and maintains a part-time practice. He and his wife Vickie live in Midland with their two-year-old daughter, Robyn.

**'67** WILLIAM HAMANN, BBA '66, MBA '67, was recently elected a senior vice president of Society National Bank in Cleveland,

## *Gary Plotkin, BBA '60, Elected President of the Commercial Law League of America*

Plotkin, who attended Wayne State University School of Law, is a member of the American, California, Los Angeles, and Michigan Bar Associations, together with the Financial Lawyers Conference and Bankruptcy Study Group, and has served on many of the committees of each organization.

Gary A. Plotkin, BBA '60, principal in the law firm of Plotkin & Rapoport of Encio, Calif., is the newly elected president of the Commercial Law League of America, a professional association with a membership of nearly 6,000. League members are experts in the fields of commercial credit, finance, business bankruptcy, and creditors' rights.



*Gary A. Plotkin*

Ohio. In 1977, William began as vice president in the Ohio Division of Central National Bank of Cleveland, which was recently merged into Society National Bank. He was promoted to manager of the Ohio division in 1981.

PAUL FOOTE, BBA '67, writes that he has been named chairperson of the research committee of the international accounting section of the American Accounting Association, '86-87. He says he would welcome any suggestions on needed research or offers of case studies. He is an assistant professor of accounting at New York University.

STEPHEN C. WEXLER, MBA '67, writes that he started over in California in 1982 after a successful career in New England. He is now president and CEO of Wexco International Corporation in Los Angeles. "I feel fortunate," he says, "that I had the opportunity for an MBA degree from Michigan. My firm has grown from 1 man to a staff of 42 in 4 years and as my job as CEO emerges more and more, I find my management

training at U of M to be invaluable. Wexco is on its way to being an international firm of construction consulting, engineering, management and software." He writes that his wife Bette is executive vice president of Wexco and her daughter Cheryl is senior vice president. Son David is sales manager of Wexpro Software Systems Co., one of the divisions.

**'68** JOHN H. MCCARTHY, MBA '68, a partner in the Boston office of Coopers & Lybrand, has been elected first vice-chairman of the board of advisors of the Catholic Charitable Bureau of Boston. He was also elected this year to the board of directors of the Massachusetts Society of CPAs, Inc. John is Coopers & Lybrand's industry coordinator for services provided to the real estate industry in the firm's Northeast Region. He has also served as audit partner for engagements with major clients in the public utility, education, insurance, and energy industries.

STEVEN C. PLEUNE, MBA '68, is vice president, marketing, for Winsor & Newton, Inc., a British Manufacturer of artists' materials. After graduating from Michigan, Steven worked for the R. T. French Company in various sales and marketing positions. Both R. T. French and Winsor & Newton are owned by Reckett and Colman, also a British Company.

ARTHUR L. SCHWARTZ, JR., BBA '67, MBA '68, is a professor of finance and real estate at the University of South Florida in Saint Petersburg. He recently published an article in *Real Estate Appraiser and Analyst* entitled, "Truncated Cash Equivalency: A Possible Solution to the Valuation Problem of Seller Financing." Arthur earned his PhD from Oregon in 1975.

**'69** ERIK R. EYBYE, MBA '69, left Schering-Plough Corporation last December to become director of compensation and benefits for Aircro Gases and Welding in Murray Hill, New Jersey (a U.S. subsidiary of the British BOC PLC). "I am looking forward to my first visit back to look over the new business school facilities," Erik writes. "My Swedish-born wife Lena fondly remembers her nine months with me in Ann Arbor in 1969, and I hope my daughter Marianne, 14, and son Tom, 10, will attend LS&A."

THOMAS J. STANAR, BBA '69, opened the Grand Rapids office of William M. Mercer-Meidinger, Inc., a large employee benefits and compensation consulting firm. As head of the office, he is responsible for all facets of the operation. Before opening this office last year, Thomas had been executive vice president for a Grand Rapids actuarial firm.

**'71** MARTIN L. MATHEWS, MBA '71, writes, "On June 1st I resigned from AT & T to go into my own small business, RE/MAX of Flemington, New Jersey. Before leaving AT & T, I was the product/marketing manager for the new electronic mail offering — AT & T Mail. That was a very

## *Robert Kley, MBA '64, Helps Entrepreneurs Avoid Making Wrong Initial Business Choice*

To help people avoid getting into a business they're not suited for, Robert Kley, MBA '64, has spent the last four years developing a state-of-the-art computerized business aptitude test that determines the best use of entrepreneurial talents. The test identifies if clients are most suited to developing a business from scratch, taking over an existing business, or buying a franchise.

According to Kley, president of Career Exchange Network in Carlsbad, Calif., his "BestFit" program acts like an insurance policy to protect entrepreneurs against the agony of trial and error and financial collapse.

For example, Jim Mahoney is a casualty of an ill-chosen second career. In 1976, after 25 years at an automobile manufacturing plant, Mahoney left his middle management position to fulfill a dream of running his own business. He decided to buy a fast food franchise for two reasons: the food business would be a welcome change from car manufacturing, and he liked the restaurant's menu. But 11 months of struggling with the nightmares of food spoilage

and managing undependable teenagers convinced him to sell the business. Luckily he didn't lose money, but he did lose confidence that he could succeed outside of the structured corporate world.

As a last-ditch effort to make it as an entrepreneur, Mahoney turned to Kley, then a financial planner, for help. Within a few months, Kley had aimed Mahoney toward a muffler franchise — where he's been happy and successful ever since.

According to Kley, who switched careers from engineering to business in 1964, today's career changer is looking for two kinds of success. One comes from making money and the other comes from doing work that satisfies the soul.

Once CEN helps a client achieve his or her "BestFit," it also makes available a network of 30 independent services to help the new business owner. These include accounting, business insurance, office space leasing, printing and legal services. Kley calls this network strategic partnering, which enhances the concept of business "for yourself," not "by yourself."

exciting and rewarding opportunity to formulate the plans for a new nationwide business service offering and to follow it through to a very successful launch. However, after 21 years of climbing the corporate ladder, my wife and I decided to launch our own real estate sales and management company. In our first six months of operation, we have been able to attract twelve of the top sales associates in the county and have handled over \$15 million in real estate transactions. Our first office is running smoothly and we are planning to open our second office. I am also very busy doing financial consulting, teaching investment courses, and handling special

development projects. One of my goals is to encourage MBA students to consider entering the small business environment, rather than just the larger institutional job marketplace after they graduate."

**'74** JANET L. LOCKROW, BBA '74, says that she joined an "off Wall Street" institutional chemical research and investment banking firm at its inception a year ago and now organizes and manages its sales, marketing, and trading efforts. Janet, who lives in Madison, New Jersey, has also achieved an "A" national ranking in squash racquets.



PETER C. FACKLER, MBA '74, has been appointed vice president for business and finance at Alfred University in Alfred, New York. Before starting this job last March, Peter was associate vice president for fiscal affairs and associate professor of accounting at West Chester University in Pennsylvania. Peter is a certified public accountant in New York and Pennsylvania.

**'75** MARJORIE SCHWARZ WHITTEMORE, BBA '75, is a business instructor for Texas Southmost College in Brownsville, Texas, and was selected to teach business to academically talented youngsters last summer. She received an MBA from Eastern Michigan University in 1981 and, while working as an accountant for General Motors, was awarded \$10,000 for a cost-saving idea. Marjorie and her husband Jamie have a son, Zachary, who is 3 years old and she writes that they are expecting a daughter in August.

RICHARD E. ANDREWS, MBA '75, has been promoted to vice president, Standard Pump Division, for Ingersoll Rand Co., in Allentown, Pennsylvania. Richard has been with the company for five years. Before this promotion he served as marketing manager.

JEAN-LOUIS HUCHANT, MBA '75, was promoted in early 1984 to chief financial officer of Bayer France, the French subsidiary of the multinational Bayer Ag chemical company. In 1984-85 he was elected CEO of two companies and as general manager of a third company of that same group in France. Jean-Louis and his wife Danielle have three sons: Pierre-Yves, 8, Jean Bernard, 6, and Alain-Xavier, 4.

ANN E. THOMAS, MBA '75, has formed A. E. Thomas Associates, an information systems consulting firm headquartered in Hartford, Connecticut. The firm specializes in helping organizations use management information and computer technology to meet business objectives. The firm assists clients with long-range systems planning, business requirements

## *Joyce M. Fields, BBA '69, Elected Treasurer of Los Angeles Times Mirror*

Joyce M. Fields, BBA '69, is the newly elected treasurer of The Times Mirror Company of Los Angeles. Her responsibilities include commercial banking and financing activities, cash management, and supervision of the company's retirement plan assets and other investments.

She joined the company in December, 1975 as cash administrator, was promoted to cash and banking manager in 1979 and elected assistant treasurer in 1980. Her previous experience includes positions in

portfolio and securities analysis at Shearson and at Merrill Lynch.

She is a member of the Los Angeles Society of Financial Analysts and the Los Angeles Pension Group. She also serves as treasurer of the Pfaffinger Foundation, treasurer and chief financial officer of the Times Mirror Foundation, and a director of the Los Angeles Times Federal Credit Union.

She writes us that she was remarried in October, 1984 to Ronald Nelson, and that she has a daughter, Jessica Fields, age 9.

definition, software and hardware evaluation, project planning, project management and systems reviews. Before founding this company, Ann was an officer in the financial division of Aetna Life & Casualty in Hartford. Ann has also worked for Price Waterhouse in Hartford, as an account manager for ADP Network Services in Chicago, and as a computer programmer with Ford. Her career includes more than 14 years of in-depth business and data processing experience. She has held adjunct faculty positions at both the University of Hartford and Central Connecticut State University.

ROLAND G. VOLK, MBA '75, has been promoted to director, information services, for Georgia Gulf. Georgia Gulf, formerly a division of Georgia-Pacific Corporation and now privately held, is the newest major chemical company in the United States. Roland is now responsible for all central and distributed computer systems development, support, and operation. In addition, his organization supports and facilitates the effective use of end user microcomputing and office automation tools. Roland, his wife Katharine, and their two children live in Baton Rouge, Louisiana.

SUSAN S. OWENS, BBA '75, is vice president of the Related Equities Corporation in Chicago, working in

the Syndications Marketing Division of this real estate company. For five years before joining Related, Susan worked in marketing for the Revlon Corporation in Boston and Chicago. She then went back to school for her MBA from Keller Graduate School of Management in Chicago. Her husband, DAVID G. OWENS, MBA '75, has started his own consulting firm, Strategy Partners, after serving as vice president for the Boston Consulting Group.

**'76** JEROME B. VAN ORMAN, MBA '76, was promoted this year to director, U.S. borrowings, at General Motors Acceptance Corporation in Detroit.

LEE J. CARTWRIGHT, BBA '76, is in his second year of teaching accounting full-time at Santa Fe Community College in New Mexico. He received his Masters of Applied Economics in 1982.

DOUGLAS G. SHUFELT, MBA '76, and his wife Betsy wrote to announce the birth of their third child, Bradford Whitman, born on March 16, 1986. They also have a 4-year-old daughter and a 3-year-old son. Doug is director of Cranston Printworks' New York Office.

GREGORY B. KEYS, BBA '76, is a partner in the Woodlands, Texas,

CPA firm of Lindsey, Keys, & Co. After graduating from Michigan, Gregory worked for Laventhal and Horwath in Detroit and Anchorage for 2 years. He then joined Arthur Andersen in Toledo where he was promoted to audit manager in 1982 and transferred to the Houston office. Gregory co-founded his own firm in 1984. He tells us that "the hours, headaches, and responsibility are tremendous, but so are the rewards of seeing your own business grow." His wife Brenda earned her master's degree in education last summer and is an education diagnostician.

DAVID M. STEINMETZ, BBA '74, MBA '76, has been promoted to assistant vice president at Long Island Trust in Garden City, New York, assigned to the Long Island Development Division. David began his banking career in 1977 with Nassau Trust, and spent several years working in Detroit before returning to Long Island in 1983. He joined Long Island Trust in 1984 as assistant secretary-business development officer. Long Island Trust has 48 banking offices in Nassau, Suffolk, Queens, and New York City, and an overseas office in the Bahamas.

RICHARD A. SUNDQUIST, BBA '76, has become a shareholder in the firm of Cross, Wrock, Miller, & Vieson in Detroit, where as an attorney he practices primarily in the area of real estate and general corporate law. He and his wife, Karen Bolsen, announced the birth of their first child, Lauren Marian, on October 15, 1985.

**'77** STEPHEN R. TIMMONS, MBA '77, has been working for the past six years as a manager in the Houston Consulting Division of Arthur Andersen & Co. His wife, THERESE, PhD '81, is a research associate at Baylor College of Medicine in Houston.

RAZIEC ROM, MBA '77, has, for the past two years, been CEO and partner of Bigger Byte Business Computers in Valley Stream, New York. "As system house for IBM and Altos computer systems," he writes, "we have grown and now cover a large territory. Every day, we use the

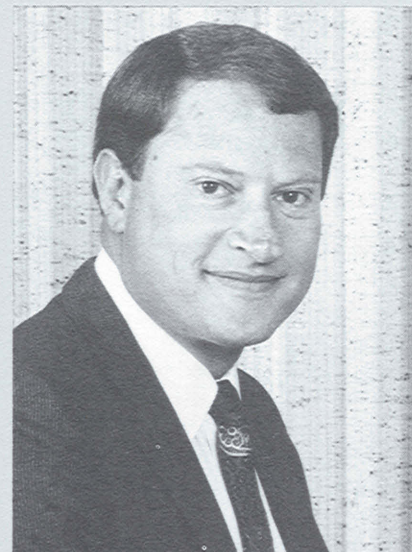
## *Pierre H. Sice, MBA '72, Named CFO of Data Line Service Company*

Pierre H. Sice, MBA '72, has been named senior vice president-finance, and chief financial officer of Data Line Service Company. The position is a newly created one, as the company continues to restructure itself internally.

Sice will direct the Finance and Administration Division, one of three major divisions of the company. He will be responsible for the accounting, financial planning, internal audit, human resources, and administration functions of Data Line.

In the last 20 years, the company has been a leading supplier of online data processing services, financial terminal systems, and distributed data processing products to savings and loan companies in the western United States. The combined assets of the more than 135 S&Ls that Data Line services are in excess of \$40 billion.

Sice brings to Data Line 14 years of executive experience in various top level financial and administrative posts, including the last eight years at MAI Basic Four, Inc., a leading manufacturer of business computers. There he was responsible for treasury,



*Pierre H. Sice*

financial planning, mergers and acquisitions, as well as various administrative activities. Before that, he worked as assistant treasurer for Varian Associates, Inc. in Palo Alto, Calif., and manager, international banking for Kaiser Aluminum and Chemical Corporation in Oakland, Calif. He is a member of the Financial Executives Institute and the National Association of Corporate Treasurers.

creativity and analytical capabilities we developed in the MBA program, and we continue growing at an annual rate of 120 per cent."

CHARLES J. GALE, BBA '77, has had his own Chicago law firm since 1984. In 1981, Charles earned a master's of accounting and a JD from the University of Illinois. He received his CPA in Illinois in 1980 and taught accounting at the University of Illinois for 3 years.

**'78** EDWARD N. FRANKLIN, MBA '78, after 3 years as head of product marketing, was

promoted to regional manager for Africa, Asia, and the Far East, of Altos Computers in San Jose, California. The company makes multiuser supermicro computers. Ed has implemented technology transfers between local manufacturing companies and companies in India and Korea. He also signed a contract with a firm that provides Arab character terminals and software to represent his company in the Arab Middle East. He recently toured the Philippines, which, he says, gave him a new understanding of the word "political transition." He adds, "If my

territories aren't risky enough, think of all the airline food I eat!"

MARK and BARBARA YOUNG, MBAs '78, announced the birth of their second son, Joseph Mark, on May 21, 1986. Joseph's brother, David, is almost two years older. Mark continues to enjoy his work as a project leader at Mobil Oil Corp. Barb will continue to work, although on a "more limited schedule," as the chief financial officer of Interfirst Bank Forney. The Youngs live in Rockwall, Texas.

SAMUEL STEINHOUSE, BBA '78, was appointed chief financial officer of Industrial Timber & Land Co., a producer of specialty hardwoods for domestic and export markets.

BRADFORD S. ADAMS, MBA '78, and his wife Sherry moved into their new home in Lake Bluff, Illinois last spring and are expecting their first child this fall. Brad is working in the Treasury Department at Northern Trust Company in Chicago.

ROBERT L. WELO, MBA '78, is a major in the U.S. Army. He was selected by the Army for doctoral level training in engineering, and is now working on his PhD in Industrial Engineering at Texas A&M University. "I want to pass on to all the U of M faculty and students all the compliments I have received whenever I say that I got my MBA at Michigan," he says. "They invariably reply 'That's a great school! You must be top notch.'"

**'79** THOMAS R. WALSH, BBA '79, has been promoted to vice president of Continental Illinois National Bank in Philadelphia. He heads a team of bankers that provides commercial banking services in the Mid-Atlantic region.

ROBERT F. CHAFITZ, MBA '79, continues to work for the Construction Products Division of W. R. Grace & Co. in Cambridge, Massachusetts, where he is responsible for physical distribution activities at 50 facilities across the United States. He was married in September, 1984, and now has one child, a son named Zachary Michael, born April 16, 1986.

HAROLD RUSSELL SMITH, BBA '79, has joined Burroughs Corp. in their

Office of General Counsel. He says he handles the interface between the law and finance/treasury functions and also does some securities law work and a small bit of mergers and acquisitions work.

JON S. CANTOR, MBA '79, is assistant treasurer for Credit Lyonnais USA in New York City. "For the past 2 years," he writes, "I have been the leading foreign national in treasury and foreign exchange systems. Since I have been with the bank, trading has commenced in financial futures, foreign currency futures, foreign currency options, and next quarter there will be dealing in treasury bills and bonds. My French is still terrible, but improving at 'tres granduites.' I also say 'ooh, la la' quite often. Anyone passing through the big apple from my class should feel free to give a call."

**'80** EIICHI MICHIZOE, MBA '80, is a financial analyst at the Asian Development Bank in Manila, Philippines. Eiichi, who is married with 2 children, joined the bank from the Bank of Tokyo.

WILLIAM W. WAGNER, MBA '80, has been promoted to quality control manager for the Pepsi-Cola Bottling Group's Detroit plant. Before this, Bill was on the manufacturing staff at Pepsi's corporate headquarters in Purchase, New York.

RONALD L. SEIGNEUR, MBA '80, got his CPA certificate while he was with Arthur Andersen & Co. in Denver. In 1982, he became the controller for Coopwell and Wehrle, a Denver law firm. "In four years," Ron tells us, "the firm has grown from 28 attorneys to over 75. I serve on the firm's 3-person executive committee and have thoroughly enjoyed the experience of such a dynamic growing entity. I also have a small management consulting business to occupy my 'spare' time. I had open heart surgery in January of this year to repair an aortic aneurism. Everything is fine now and we have just adopted a 3-month-old baby girl. Our first child. Life is good. Life is good."

BENJAMIN CARTER, BBA '80, has joined the Health Alliance Plan's

board of directors. Benjamin, a certified public accountant, is a senior health care consultant with Plante & Moran.

ROBERT S. BROCHU, MBA '80, writes that he is currently production superintendent for American Cyanamid Company's hydrotreating catalyst plant in Michigan City, Indiana, and was recently promoted to department planning manager for the engineered materials department. He will be relocating to Wayne, New Jersey, the headquarters for American Cyanamid.

VINCENT R. SPARROW, MBA '80, has been promoted to audit manager at Arthur Andersen & Co. He earned his CPA certificate in 1982. Vince writes that MIKE FOYE, MBA '80, is married and living in California.

DONITA S. WOLTERS, MBA '80, was promoted early this year to personnel manager for technical operations at Martin Marietta Aerospace in Denver, where she is responsible for coordinating personnel administration for over 5,000 employees. Before she joined this company in 1982, Donita worked for the University of Michigan's personnel office. She writes that she and her husband are expecting their first child in September.

KATHERINE A. ERWIN, BBA '80, has taken an in-house legal position with Carson Pirie Scott & Co., a Chicago-area department and specialty store retailer with food service, lodging, and floor covering distribution subsidiaries. Katherine, who graduated with a Michigan JD in 1983, is the seventh lawyer in the store's legal department and says she will be primarily responsible for securities law matters. Her brother CHIP, MBA '85, and his wife Betsy have moved to Chicago where Chip works for the commercial lending department at the Northern Trust.

**'81** DANIEL J. HENNESSY, MBA '81, has been appointed vice president, Leveraged Capital Group and team leader for Citicorp in Chicago. Daniel writes that both MARNE CHILSTROM, MBA '74, and LISA ZWIRN, BBA '79, are on his team

## Please Tell Us About Yourself

We would like to include more news about alumni in *Dividend*, and hope you will help us by providing us with information about yourself. We'd like to know where you are working, and other news about you, such as promotions, new business ventures, any business or academic honors, authorship of books or articles, or other information that would be of interest to alumni. If you would take the time to fill out the form below and send it to "Pringle Smith, Editor, Dividend Magazine, Graduate School of Business Administration, University of Michigan, Ann Arbor, Michigan 48109," we would very much appreciate it.

Name: \_\_\_\_\_ Degree(s) and Class Years: \_\_\_\_\_

Business Position: \_\_\_\_\_

Business Address: \_\_\_\_\_

Home Address: \_\_\_\_\_

Please write below some personal or business news about yourself that we can share with other alumni.

and they are working with former B School professor Bill Hall at Farley/Northwest, one of the largest leveraged buyouts done to date. Daniel and his wife Jane have a son Tom, who is almost two years old.

RUSSELL F. SURMANEK, MBA '81, was promoted to controller at RacaL-MI/go Government Systems, Inc., in Sunrise, Florida, where he has been working for 3 years. After graduation, Russell worked for Northern Telecom as a senior financial analyst in Dallas and Minneapolis.

C. PETER REA, MBA '81, has been appointed to vice president, finance/administration for Sadleir International, Inc., in Ann Arbor. The Rea's second son, Peter Frederick, was born on Valentine's Day, 1986.

SANDFORD and ELLEN KOSSEK, both MBAs '81, are living in Wilton, Connecticut. Sandy was transferred to IBM's Business Systems Division to work on an institutionalized task force installing a new internal financial and accounting computer system. This is Sandy's fourth IBM location since he joined the company after graduation. Ellen has been admitted to the PhD program in organizational behavior at Yale. She passed her comprehensives with distinction and is working on her dissertation, "Organizational Acceptance of Human Resource Management Innovation." The Kosseks announced the birth of their first child, Andrew, in September, 1985. Andrew, they say, has already audited an OB class at Yale.

PAULA L. SPEER, BBA '81, has been working since graduation as a sales representative for Eastman Kodak's Copy Products Division. In 1983, Paula enrolled part-time in the University of Chicago's MBA program, and expects to complete this degree in June, 1987.

MARTIN M. SHENKMAN, MBA '81, has been admitted to the Bar in both New York and New Jersey and is serving as an associate with the New York City law firm, Townsend Rabinowitz Pantaleoni & Valente, P.C., where he concentrates on real estate, corporate, and tax matters. He has

completed his second book, *How to Do Tax Planning for Depreciation, Amortization and Income Tax Credits*, published by Matthew Bender & Co., Inc., as part of its planned Accountant Workbook Series. Martin is a contributing editor to *The Real Estate Finance Journal*, and to "Commercial Lease Law Insider," a monthly newsletter. He has also joined the advisory council for the Fairleigh Dickinson University Real Estate Institute. Martin and his wife Shelly live in Teaneck, New Jersey with their son Jonathan, who is 16 months old.

**'82** MARTIN E. SCHWARTZ, BBA '82, is a financial consultant for Shearson Lehman Brothers. He joined the company in 1984 and, upon completion of his first calendar year, was named as a member of the Presidents Club. Last June, Martin and his wife celebrated their daughter's first birthday.

TIMOTHY M. DiTOMASO, MBA '82, is the product manager-printers, for Epson America in Torrance, California. After graduation, Timothy worked as an assistant product manager-office stationery, for Avery International's Consumer Products Division, where he was eventually promoted to product manager-copier and information processing supplies. Timothy, who joined Epson last January, is engaged to Debbie Miller and plans a November wedding.

JOANNE T. MEAGHER, MBA '82, was promoted last April to manager in the financial accounting and reporting section at General Motors in Detroit. Before this promotion, Joanne worked in various General Motors departments as a financial analyst.

G. SCOTT HAISLET, BBA '82, is now a financial consultant and CPA for Merrill Lynch in San Francisco. "Following a three-year stint in tax and audit consulting in public accounting and gaining my California CPA license," Scott writes, "I feel my new position in sales at Merrill Lynch more closely fits my personality, interpersonal skills,

financial goals (to become wealthy at a relatively young age!), and lifestyle than did my public accounting career. While a member of a very large financial services corporation, I am in a real sense an entrepreneur because I control my own bottom line, work the days and hours I wish, and am unobstructed by the normal politics associated with a salaried position in a large business organization. Moreover, this job has helped me to learn about myself, the way I perform most effectively, and the way I can best manage my own business to suit me. And I am making a lot of money in the meantime, doing what I most enjoy — helping my clients."

HEIDI L. WHITFIELD, BBA '82, has accepted a limited partnership invitation, making her part owner of Edward D. Jones & Co., a St. Louis-based investment firm. Before this, Heidi, who joined the firm when she graduated, worked in the research department and in the quality review department.

JOSEPH and NANCY GEE O'KEEFE, both MBAs '82, were married in August, 1985, and now live in Manhattan. Joe, who travels abroad frequently, works in the international finance area for Standard & Poor's Corp. Nancy is in account management with BBDO advertising agency, where she handles a number of consumer products.

RONALD E. HODESS, BBA '82, who earned a JD from Georgetown University Law School, is an attorney for the Southfield, Michigan firm, Schluskel, Lifton, Simon, Rands, Kaufman, Galvin & Jackier. He concentrates on real estate and corporate law.

LARRY A. TAMBURRO, BBA '82, is an accountant for Ford Motor Company in Detroit and began working toward a Michigan MBA last fall. He was awarded his CPA certificate in May, 1985, after working for over two years at the Southfield CPA firm, Parker, Wittus and Company.

JOHN O. YOUNG, BBA '82, has accepted a newly created position, director of marketing at McLaren General Hospital in Flint, Michigan.

While establishing this department, John will be in charge of market analysis, market planning, and product development.

**'83** JEREMIAH LEE KNIGHT, MBA '83, is manager, AT & T Custom Services, in Birmingham, Alabama, and of WATS/800 services in Mississippi and has 104 employees reporting to him. Jeremiah joined AT & T in Atlanta as a staff supervisor in August, 1983. A year later, he was promoted to operations manager, special service operations in Montgomery and Mobile, Alabama. He was promoted to his current position in June, 1985. He and his wife Gloria have been married for 17 years and they have a 14-year-old daughter.

ROBERT A. KRAUSE, MBA '83, joined Baxter Travenol Laboratories, Inc., as project manager-external financial reporting, in October, 1985. Bob has been responsible for the company's annual report, SEC filings, and other merger-related duties in connection with Baxter's purchase of American Hospital Supply Corporation. Before this job, Bob worked for a total of 7 years with Arthur Andersen & Co., and Ernst & Whinney.

ELINOR J. SCHWARTZ, MBA '83, is a business systems analyst in the data administration department for Wang Laboratories, Inc. in Lowell, Massachusetts. Ellie's department, which is part of the revenue management organization, is responsible for developing and administering corporate data bases.

RAYMOND L. JOHNSON, JR., BBA '83, was promoted last December to senior accountant on the audit staff of the Detroit office of Deloitte Haskins & Sells.

LINDA P. FLEMING, BBA '83, graduated last May with a JD from George Washington University.

**'84** EDWARD B. KURPIS, MBA '84, has been promoted to manager, corporate planning, for the National Broadcasting Company (NBC). He is involved with all aspects of the entertainment industry,

## Steve Sensoli, MBA '84, Becomes General Manager of Company in China

Last June, 27-year-old Steven Sensoli, MBA '84, took a one-way, 21-hour flight to China, beginning his job as general manager of Leeco Diagnostics Inc.'s fledgling China Operations. As general manager, Steve will have responsibilities akin to those of a U.S. company president.

Leeco Diagnostics, which is well known for its over-the-counter pregnancy test kits, develops and manufactures diagnostic reagents used by hospitals and laboratories to test levels of substances in the human body. The company's far Eastern headquarters are in the coastal city of Tianjin, sixty miles southeast of Beijing and the third largest city in China (population: eight million). Initially, Steve's corporation will be selling products made by the mother company. Once established, the Chinese plant will become a full production facility with a staff of eighty.

According to Steve, his most difficult task will be arranging suppliers of raw materials. "Many of the supplies we use," he says, "are very specialized and very expensive here in the U.S. I'm not even sure they have them in China. And of course when you start a corporation overseas, you can quickly run out of foreign capital before making a profit. The Chinese will not allow a trade deficit, so I only have a limited amount of foreign capital before I have to start selling my products abroad to bring in more foreign capital. I'll really have to be conservative."

Conservative, but not pessimistic. "For example," Steve says, "pregnancy testing in China is not very accurate. When we were at a trade show in Beijing in March, we noticed that people

were especially excited that we were going to produce a product they could rely on. It was very important to them to find that we are going to keep the FDA standards that we have in the U.S."

Steve began working for Leeco as a chemist in 1980 after receiving a BS in biology from New College in Sarasota, Florida. "Actually," he says, "I served a variety of functions. The company was so small at that time, people had to do everything." Steve soon decided that he wanted to spend less time in the laboratory. So, while continuing at Leeco, Steve enrolled at Michigan.

About four months after he graduated, Steve was asked if he was interested in heading Leeco's China Operations. "I think when I was in school as well as working full time I impressed the management that I had a lot of ambition and energy," he says. "They always said they considered me a good candidate for advancement, so when this job came up, I guess I was the right person at the right time."

Negotiations with the Chinese government took almost a year to complete, and it took another six months to build and prepare the new facility for Steve's arrival. "Our president, Dr. James Lee," Steve says, "is from Taiwan. So he has a lot of ties in China. It is difficult for anyone to *begin* negotiating, let alone complete the deal. We've heard stories about companies that have been negotiating for four or five years, and still haven't gotten anywhere. So we feel we've already got a good rapport with China and with Chinese officials." The local

government in Tianjin is one of the partners in Leeco's joint venture.

In preparation for his new job, Steve took a 45-hour Berlitz course in Chinese. He also visited the country twice for a total of four weeks. "I can understand a lot more than I can speak," he says. "If someone speaks slowly, I can get the gist of what's going on some of the time. But now I know that the language is not insurmountable. And I think it's important for me to learn it. About half of the people there speak some English, but some of the older people, especially those who are in power, do not. If I speak Chinese, or at least give it a good effort, I think they appreciate that. It's a goodwill gesture. And I think it'll put me a step up over other businessmen who don't speak the language."

Steve will work in China for a minimum of two years. "Nothing bothers me about it at all," he says, "except for being away from my fiancée Kim for so long." While Steve is in China, Kim will continue working for Trim Sales and Engineering, a Canadian sales representative company. "Kim has a good job," Steve explains, "and she would never be able to find a comparable job in China. Even if she could find a job, the wages are so depressed, it wouldn't really be rewarding for her. Neither of us wants her to waste her college degree and her career up to now."

Steve's first visit back to the States this September will coincide with his wedding. "Kim will be coming over a couple of times a year," Steve says, "and we'll just sweat out the first two years of our marriage."

from assessing new programming directions to strategic and financial analyses of new broadcast technologies. "Show business is

an interesting mix of 'show' and 'business,'" Ed writes. "It's a great place to balance more analytical techniques with what is generally

thought to be a world driven by creativity, emotion, and artistry. I hope to pave the way for more Michigan MBAs to enter this exciting field."

FIRST LIEUTENANT DUANE K. KUIZEMA, BBA '84, is a Chaparrel platoon leader assigned to the 2nd Battalion, 60th Air Defense Artillery, U.S. Army (Flugabwehr) stationed in Ramstein, Federal Republic of Germany. His previous assignment was that of the Forward Area Alerting Radar platoon leader.

ROBERT H. SACK, BBA '84, began after graduation as a marketing/public relations director for the Flint Generals, a minor league professional hockey team. "It was a tremendous experience," Bob tells us, "and a real exercise in small business management. After a year and a half with that position, I moved on to another sport. In January, 1986, I accepted the post as associate director of marketing for the Buick Open, the golf tournament sponsored by Buick Motor Division which is an annual stop on the Professional Golfers Association Tour. Now I am enjoying the contrasting experience of working for a large corporation. I am certainly thankful to be able to combine my excellent Michigan business education with my love for sports."

KENNETH R. SIKKEMA, MBA '84, has announced his candidacy for the Michigan House of Representatives. He is seeking the Republican nomination for the 94th district, which includes the cities of Wyoming, Grandville, and Walker. Ken served 4 years as a legislative aide in the Michigan Senate and 3 years as the executive director of the West Michigan Environmental Action Council. For the past two years he has worked as a market manager for Herman Miller.

STEPHEN W. HOLMES, MBA '84, lives in Manhattan and works for Chemical Bank's Real Estate Division. Before coming to Michigan, he earned his JD at Detroit Law School and was admitted to the State Bar of Michigan.

'85 BRIAN L. BLONDER, MBA '85, has been promoted to senior consultant at Price Waterhouse in Detroit.

PAUL D. ENGEL, MBA '85, has been appointed chief financial officer

of the Andersen Corporation, headquartered in Teterboro, New Jersey. Andersen had been the NY Tri-State area's leader in the prefabrication of exterior wall systems for over ten years. Paul, who joined Andersen after graduation tells us that "Since the company is on the smaller side (\$20 million annual sales) I am frequently confronted by a wide range of issues. My diversified training at Michigan has proved invaluable."

JENNIFER E. NOLTE, MBA '85, is a brand assistant for the Clorox Company in Oakland, California. Jennifer, who joined the company when she graduated, works on the Dry Hidden Valley Ranch Salad Dressing Mixes brand. "It is an extremely challenging position," she writes, "but I still have time to enjoy the wonders of the Bay and surrounding area — skiing at Lake Tahoe, horseback riding in Napa, sailing on the Bay, or strolling through Redwoods on the Northern coast. I am eager to get in touch with

other Michigan Alumni out here, as I just moved to the Bay area from Michigan in August of '85."

'86 GARY S. HANN, MBA '86, has been awarded the Certified Commercial-Investment designation by the Commercial-Investment Real Estate Council of the Realtors National Marketing Institute, affiliated with the National Association of Realtors. The CCIM designation is awarded to highly educated specialists who draw from market experience and intensive study to help clients analyze and meet investment objectives. Successful completion of a series of five comprehensive courses is one of the requirements for the designation. There are currently 2,560 CCIMs nationwide and in Canada. Gary has also announced a reorganization of his eight-year-old firm to specialize in residential and investment transactions in the Ann Arbor area and to be involved in fee consulting in real estate.

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## Not Just a Pipe Dream

*Continued from page 7*

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characteristics to specific stages in the entrepreneurial process.

"It's useful to look at the stages of the entrepreneurial process separately," Moore explains, "and not try to aggregate findings across stages. There are several steps in the entrepreneurial process, from dreaming up a new idea to running a successful business. In my model, I am particularly interested in the interactions between variables in each of the different stages. For example, what type of environmental support is most conducive to creative behavior? Or, what changes in entrepreneurial behavior are most useful during the stage of venture growth?"

Moore is also planning to monitor at two and five year intervals the students in her class to see if they start entrepreneurial ventures more frequently than a control group.

During the 1986-87 academic year, the Zell-Lurie winner will approach teaching entrepreneurship from an entirely different direction. He is John E. Tropman, professor of administration at the U-M School of Social Work, whose prize-winning entry, entitled, "The Entrepreneurial Manager," is designed to enhance understanding about the structure of entrepreneurial systems, and explores ways in which such systems might be created and managed for maximum success. It looks at ways managers can structure systems so that fresh ideas are not forced out of the organization, and develops and explores a five-stage model of entrepreneurial process, considering the different roles and organization systems needed at each stage. It also considers the role of the entrepreneur in non-business ventures: the public sector and the non-profit sector.

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*A view of the Executive Residence from the courtyard. Above, you can see people enjoying television in the Kalmbach Guest Lounge. The dining room can be seen below.*