

# Dividend

The University of Michigan Business School

Winter 1994



## MEET THE DOMESTIC MBA CORPS

(see page 7)

# Introducing the Alumni Career Network

A new service for alumni, designed to help graduates looking for new jobs, is now available. Twice a month, a career newsletter is being jointly published by the Offices of Career Development and Alumni Relations at the Business School. The first issue was delivered on October 1, 1993, and there are currently 450 alumni subscribers. Response to the new effort has been positive.

"I'm really impressed with the new Network," wrote one subscriber. "At the moment, I'm not even in a job search, but it is easy to see what a great asset this is for someone making a transition."

The newsletter includes national and international

employment opportunities forwarded to the School by employers and search firms interested in Michigan graduates.

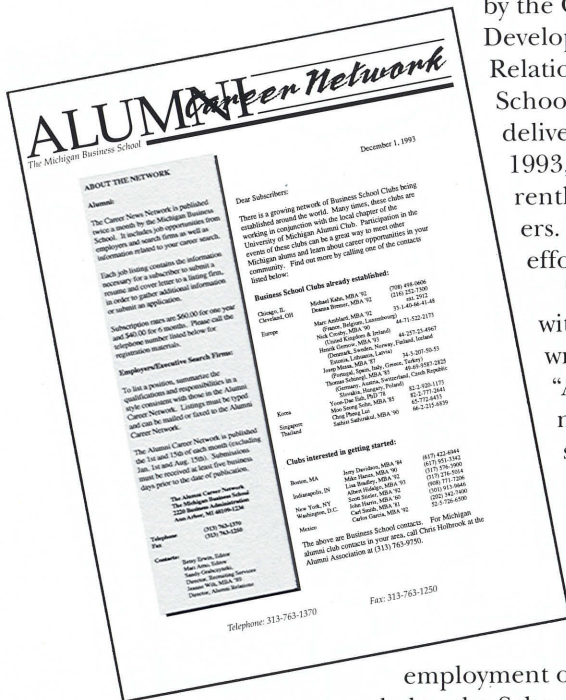
It also carries periodic features on such topics as graduate salary statistics and recruiting information; and news from the Offices of Career Development and Alumni Relations that is relevant to the career search.

Each job listing contains the information necessary for a subscriber to submit a resume and cover letter to a listing firm, in order to gather additional information or submit an application.

To list a position, employers are asked to send a typed job description including: position title, responsibilities, qualifications, information about where to apply, and salary, to the Alumni Career Network, 2220 Business Administration, Michigan Business School, the University of Michigan, Ann Arbor, Michigan 48109-1234. Telephone, (313) 763-1370. Fax 313-763-1250.

The newsletter, which is being edited by Betsy Erwin, formerly placement director at Northwestern's Kellogg School of Management and Mari Arno, formerly a Michigan admissions counselor, is published the 1st and 15th of each month (excluding Jan. 1 and Aug. 15). Submissions must be received at least five business days before the date of publication.

Subscription rates are \$60.00 for one year and \$40.00 for six months. To subscribe, please fill out the card below:



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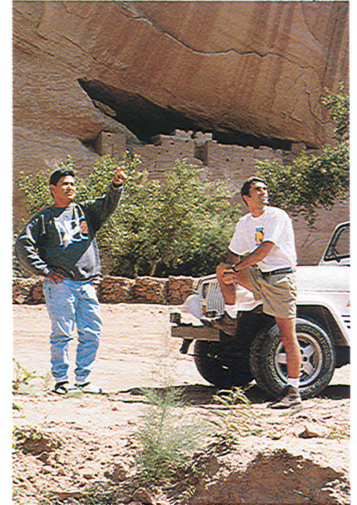
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### About the Cover

*Our cover features members of the Domestic MBA Corps who held 1993 summer internships in diverse places that ranged from the Navajo Reservation in Arizona, to Focus:HOPE offices in Detroit. They are (left to right) top row - Brendan Fitzpatrick and Marian Krzyzowski, director of the Domestic MBA Corps; center row - Marta Diaz, Steve Ulene, and Jacquelyn Vander Brug; front row - Scott Kauffman, Debra Smith, and Doug Wolfe. Not pictured are Chris Singleton and Kathleen Dougherty. For more about their internships, see page 7. (Photo by Gregory Fox)*

Dean: B. Joseph White, Associate Deans: Paul Danos, George Siedel III, Janet A. Weiss, Editor: Pringle Smith, Design: Kathy Krick, U of M Marketing Communications, Copyright © 1994 by the Michigan Business School. This publication is made possible through the generosity of private donations. Recycled paper in the spirit of conservation.

# Distance Learning New Program

**T**he Michigan Business School's master's degree is on the move — all the way to Hong Kong where the first class of 40 Cathay Pacific Airways managers has begun studying for the MBA.

Over the course of three years, the Cathay Pacific employees will receive the full Michigan MBA, using an innovative combination of video conferencing, face-to-face modules in Hong Kong, courses in Ann Arbor, and field projects both in Ann Arbor and Hong Kong. Once the first class graduates in the fall of 1996, a new class of 40 will begin the program.



*Paul Danos, senior associate dean (left), and Rod Eddington, managing director of Cathay Pacific, shake hands after the Business School-Cathay Pacific MBA was inaugurated in Hong Kong.*

The first group of 40 MBA candidates met the same qualifications as any Michigan MBA applicant, as well as going through a rigorous screening process at Cathay Pacific—including an interview with the firm's top executive.

The development of a globally based MBA provides an important alliance between the Michigan Business School and one of the best known and respected companies in the Pacific Rim. The program represents an important strategic alliance that will create a greater presence for the Business School in one of the world's fastest-growing economic regions. Cathay Pacific Airways Limited is among the world's most successful international carriers. It operates over 750 passenger and cargo services a week to 39 destinations in 26 countries in Asia, Australia, Europe, the Middle East, Africa, and North America.

"A full-fledged MBA is important to us because we are moving into a business environment where people will take responsibility for planning and executing jobs independent of direct supervision," said Rod Eddington, managing director of Cathay Pacific.

"We have designed the program so that the quality will be sustained even though students are 9,000 miles away," said J. Wayne Brockbank, faculty director of the project and assistant professor of organizational behavior and human resource management. "With this program, we believe we can deliver the Michigan MBA anywhere in the world."

"In the next 20 years I think we will see radical changes in the way people consume knowledge," commented Business School Dean B. Joseph White. "Distance

# ng Takes off With in Hong Kong



*Off we go! Wayne Brockbank, left, faculty director of the Cathay Pacific project and assistant professor of organizational behavior and human resource management, and Ian Wilson, general manager, personnel, of Cathay Pacific, pose in the simulation cockpit used by Cathay Pacific for training its pilots.*

learning and the creation of modules will be an important part of that process. The CX-MBA program jump-starts the Business School into this new era.”

An article about the new program in *The MBA Newsletter* commented, “The move by Michigan is . . . seen as a creative response to criticism that the MBA is static and past its prime. What Michigan is now demonstrating is that the degree still has considerable value in parts of the corporate world — and may ‘travel’ better than anyone has ever expected. Also, that configurations for

new kinds of management education programs utilizing technology not available previously provide practically limitless opportunities for innovation.”

The customized MBA program (CX-MBA) follows the two-year Michigan MBA curriculum, and includes the same number of faculty contact hours as does the full-time MBA program in Ann Arbor. Recent developments in distance learning technology will be used throughout the program to allow continual communication.

**The Michigan  
Business  
School's MBA  
Arrives in  
Hong Kong  
in Globally  
Based  
Alliance  
with  
Cathay Pacific  
Airways**

The program will be delivered by:

- Using interactive TV to transmit lectures from Ann Arbor to Hong Kong.
- Video conferencing through interactive television to discuss homework, get assignments, and ask questions. Homework will be handed in via computer networks or faxes.
- Four 10-hour days of on-site instruction in Hong Kong for each of the 15 classes offered there. The intensive classes will be conducted once a month from Friday morning through Monday evening.
- A seven-week segment when the Cathay Pacific students will live and study in Ann Arbor, taking five elective courses.

"The high point of each course will be the four days faculty spend on-site in Hong Kong, teaching for 10 hours each day," said Brockbank. "We believe we can deliver the course material in this concentrated way because of our expertise, experience and effectiveness in delivering our executive education programs."

Executive education at Michigan is ranked number one by its customers, according to a survey conducted by *Business Week*, and has more participants than any executive education program in the world.

During one seven-week segment, the students will participate in Michigan's highly touted MAP program. This program, similar to a medical school residency, places MBA students within companies where they analyze a specific business process with the guidance of an interdisciplinary faculty team.

The Cathay Pacific students will conduct their MAP projects within Cathay Pacific or one of the company's suppliers.

While the curriculum consists of the same classes MBA students take in Ann Arbor, there are some modifications. Faculty members in the Cathay Pacific program are working with Cathay Pacific managers to develop a portion of the class material on current problems and challenges in the global airline industry. For example, Business Economics will include a larger component on economic logic in command economies, and a course on service management has been developed specifically for this program. Cathay Pacific notes that "in some cases senior executives may attend courses and assist in teaching as appropriate."



*Aneel Karnani, associate professor of corporate strategy and international business, lectures via interactive TV in Ann Arbor to his class in Hong Kong shown on the monitor.*

Cathay Pacific is the flagship carrier in Hong Kong, and was the second most profitable airline in the world in 1992, with over 13,000 employees.

"This new program will serve as a setting for developing communication technology and off-site pedagogy in our degree programs," noted Paul Danos, senior associate dean. "Video conferencing technology, in particular, will have significant implications for the way we communicate, teach, and conduct business in both academic and business environments. With its growing experience in this state-of-the-art technology, the School will actively pursue corporate partnerships and more effective alumni linkages on a worldwide scale."

Besides providing the faculty with unique research and teaching opportunities within a successful company in a highly globalized industry, the CX-MBA program will establish a Business School presence in one of the fastest growing and complex economies in the world. Jeff Holmes, the CX program manager, notes that the School is considering other programs in other countries with other companies, or consortiums of companies.

The Michigan Business School-Cathay Pacific MBA was officially inaugurated on Oct. 8 with ceremonies in Hong Kong. ■

*Edwin L. Artzt, CEO of Procter & Gamble, answers students' questions at an informal reception following his talk in Hale Auditorium on "Winning in Japan."*



## Winning in Japan

**H**ow to win in the toughest, most competitive, fastest moving market in the world was the subject of a talk given by Edwin L. Artzt, chairman and chief executive officer of Procter & Gamble, who spoke at the Business School November 10 on "Winning in Japan."

Artzt stressed the importance of knowing the business and cultural environment as crucial to winning in Japan. In 1972, P&G entered the Japanese market through a joint venture, and introduced its laundry detergent, Cheer. Based on Cheer's leading market position in the U.S. and Europe, P&G expected the same success in Japan. Wrong.

The product was launched in Japan using U.S. sales techniques and advertisements, which resulted in resounding failure. The failure could have been avoided, Artzt explained, by thoroughly understanding the customer, business environment, and culture. He explained that Cheer was promoted in Japan using advertisements similar to those in the U.S., which touted the benefits of "All Temperature Cheer." But Japanese homemakers wash their clothes in tap water, and do not vary the temperature of the water, so that an "all temperature" detergent had no

meaning for them.

Learning to compete in the Japanese market is a wonderful preparation for competing anywhere else in the world, said Artzt, adding that the Japanese housewife is fastidious, uncompromising, and expects zero defects in the products she uses. Japanese women also do twice as many washloads as American and European women, wash their hair more frequently, and change their babies' diapers twice as often.

Artzt's presentation was enlivened by examples of commercials that had been televised in Japan with limited success, along with examples of revised commercials developed after a more sophisticated understanding of the culture had been achieved. For example, he explained that Japanese people do not like comparative marketing, so P&G redesigned advertisements to appeal to Japanese consumers by using statistics to support claims rather than by comparing P&G products to others in the market.

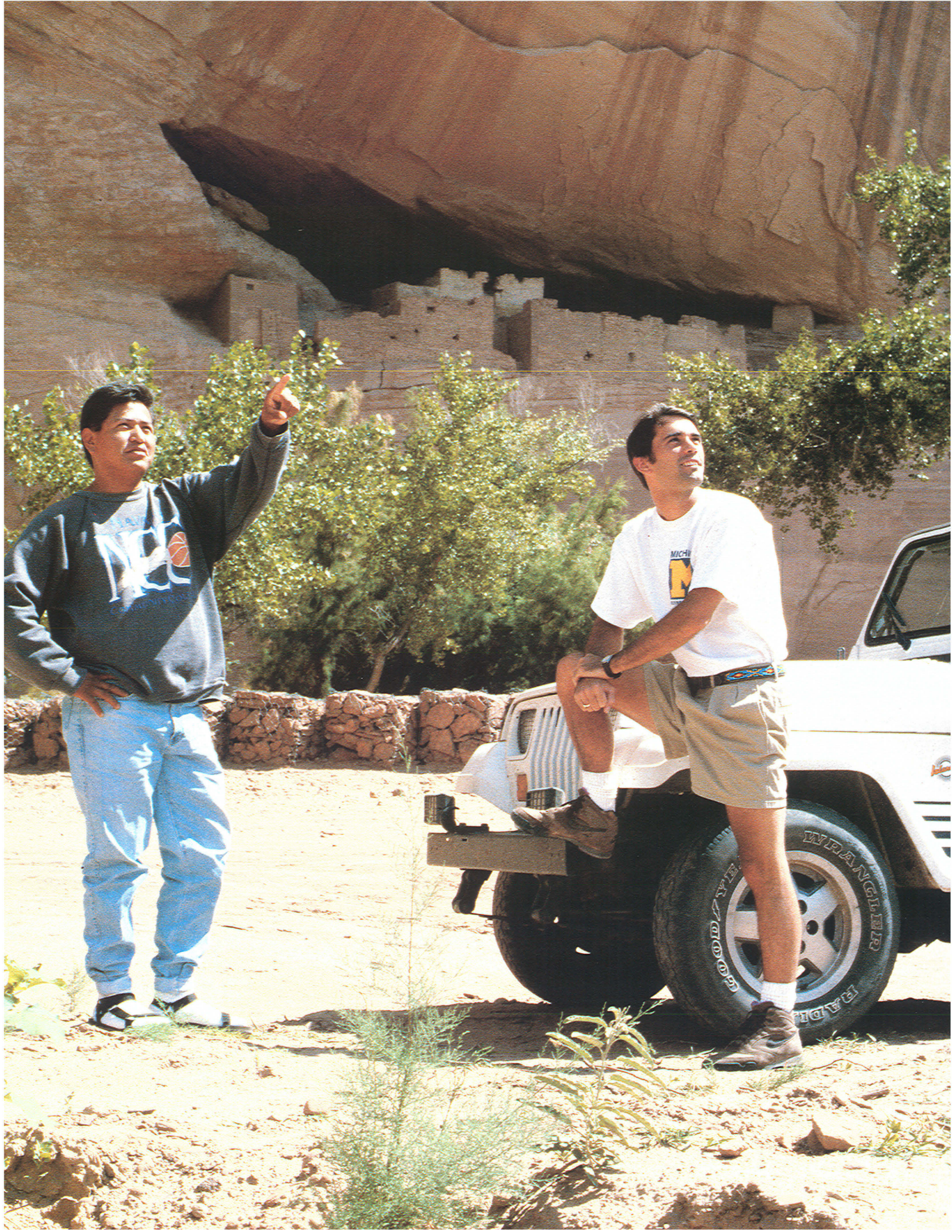
Using video displays of advertisements, Artzt illustrated the lessons learned from Japan and outlined the factors that contributed to P&G successes.

First, he said that an intimate knowledge of the customers' habits, attitudes, and biases

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***Edwin Artzt, CEO of P&G, Talks About the Toughest Consumer Market in the World***





## *Meet the Domestic MBA Corps —*

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# Working to Solve Problems at Home

*By Kate Kellogg*

**W**hat do financial planning, cost accounting, and investment strategies have to do with social responsibility and corporate citizenship? Plenty, according to the nine students who comprised the Business School's 1993 Domestic MBA Corps.

They applied the skills they developed in Business School classes to venture capital problems unique to Native Americans of the Southwest, to an economic impact study for a Michigan community, and to the dynamics of food distribution in urban centers, among other tasks. Their nontraditional summer internships may have been less financially lucrative than others they could have found, but richer in the challenges and rewards of social action.

The Domestic MBA Corps grew out of the School's four-year-old MBA Corps, which has sent over 65 Michigan MBA students to Poland and Russia as management consultants.

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◀ *Chris Singleton, one of the two Domestic MBA Corps interns who worked with the Navajo Nation, is pictured with Dewayne Sarracino, a co-worker from the Navajo Community College (NCC). They are at White House ruins in Canyon de Chelly, one of the many sites of Anasazi ruins located on the Navajo reservation in Arizona.*

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### *Students in the MBA Corps Now Use Their Business Skills to Help Domestic Clients as Well as Emerging Economies Abroad*

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"The original MBA Corps gave our students the opportunity to participate in historical changes in Europe as new market economies emerged," says Marian J. Krzyzowski, director of the MBA Corps. "The program was such a success, we concluded that we should expand it to address the needs of domestic service organizations and non-profit agencies in the United States."

Some of the Domestic MBA Corps interns have found the business needs of their clients remarkably similar to those of Eastern Europeans. For example, the Navajo Nation's economy is in transition from government control to private ownership. Reflecting on his first meeting with Marian Krzyzowski about the domestic MBA Corps' work, Richard Mike, president of the Navajo Business Association, says, "I

remember Marian in my Chinle Burger King restaurant describing the MBA Corps as a vehicle to assist developing economies in Eastern Europe.... I was greatly encouraged, for here was a program that was willing to use the study of alternative economic systems in Eastern Europe to help us harness the productive facilities of our nation, which has similar problems because of extensive government control."

Thus, Chris Singleton and Steve Ulene, domestic MBA Corps interns, were assigned to "assist the Navajo Community College in stimulating business education and economic development on the Navajo reservation." That was the extent of the description they received for a job as unstructured as the dry, rocky, and beautiful reservation country that draws tourists but little economic opportunity for its residents.

The unstructured nature of the work was fine with Chris and Steve, who both wanted opportunities to practice management skills in nontraditional environments. "I have had corporate management jobs and this time wanted to work for less tangible gains," says Chris. "Plus, the rural, open environment appealed to me more than working out of a cubicle."

The students quickly perceived that the biggest obstacle to business

development on the Navajo Reservation was the Navajos' lack of collateral and start-up capital. Since all of their land is in federal trust, they cannot use it as collateral on business loans for any purpose. "Just borrowing money to fund home additions or new service stations can be a six-year process," explains Steve.

The students addressed this problem through their assistance to the Adah Community Loan Association, a microlending organization based in Shiprock, New Mexico. A Native American lending circle, the Adah association integrates traditional Navajo philosophy into economic development policy. In keeping with the familial culture of their society, the non-profit lending circle operates around the concept of shared responsibility, with the whole group taking on the obligation of each individual's loan. Adah had the potential to fund many projects but was having difficulty filing articles of incorporation.

Steve and Chris restructured and completed the bylaws and filed the association's tax-exempt status papers with the government. They also created the loan application, drafted eligibility rules, and initiated contact with a commercial bank in the area for potential funding.

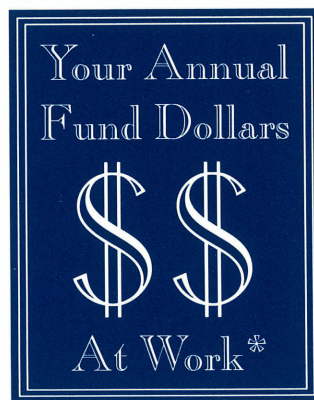
"We're finally getting to the point where we are going to get a large amount of money from a major bank of the area," said Robert Marquez, president of Adah's board. "At first this bank was taking a cool, low-risk approach with us, but now is offering a healthy line of support. Chris and Steve were a great help with the legalities in this venture."

Throughout their internships, Chris and Steve found the yoke of government control—of land, industry, and natural and financial resources—the Navajos' greatest restraint against economic development. The students therefore directed most of their efforts toward helping the Navajos take steps toward economic independence.

When the Navajo Tribal Government was considering a new tax

code, the Navajo Nation Business Association asked the interns to analyze its potential effects on reservation businesses. Chris and Steve sent copies of the tax amendments, with their own comments attached, to Carl Griffin, professor of accounting, who is a tax authority on the Business School faculty.

Incorporating Professor Griffin's analysis, the interns shared their views with members of the community and Tribal government at a public hearing, and also helped in the writing of a final analysis and the issuance of a press release.



"With their help and the active support of our membership, we were able to convince the Navajo Tax Commission to postpone its implementation plans and investigate alternative tax amendments more conducive to business," said Richard Mike of the Navajo Nation Business Association in a letter to Dean B. Joseph White.

In the interests of helping the Navajos "keep their money on the reservation" the interns followed up on an idea to capitalize on the Navajos' talent for design art by helping them market their creations in software packages.

Chris and Steve were put in touch with a development group at Hewlett-Packard that produced computer scanning equipment. Hewlett Packard agreed to fund a

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*\*From time to time, we will be using this symbol in Dividend to let you know about various activities of the School that your Annual Fund dollars help to support.*

project in which Navajo students would provide diskettes of unique Native American clip art which could be packaged with HP products. As part of their contribution to this effort, the Michigan interns found a computer design instructor who agreed to teach software development to the Navajo artists.

Hewlett Packard's marketing department has been reviewing the packages, and according to Adah's Marquez, "is very excited about the project. We were surprised to learn there is a big European market for Southwest art."

The interns favored the project because "it allows the residents to produce artwork and sell it from home if they wish, as entrepreneurs. And the profits will come from their own Native American skills," says Steve.

The students' respect for the traditions, problems and philosophies of their clients was one reason for the success they had as consultants. "We didn't try to force our ways on them or to impose our business pace on their business culture," says Chris.

Near the end of the summer, Steve and Chris drafted a Memorandum of Agreement that officially extends the partnership between the 25-year-old Navajo Community College (NCC) and the U-M. Chris and Dr. Tommy Lewis, president of the College and Dr. James McNeley, vice president, were present at the signing of this agreement, which calls for a joint effort to establish a permanent economic development and research office at NCC. It also continues the MBA Corps internship with the inclusion of two Navajo students as part of the Corps team.

In a joint effort with Navajo Community College, the Business School has applied to the U.S. Department of Education for a grant to fund NCC's curriculum improvement, and has helped NCC with its proposal to the Dept. of Commerce, Economic Development Administration, for funding of the Navajo Economic Development Office.

## Helping the Chippewa Tribe with Strategic Planning

While Steve Ulene and Chris Singleton were recognizing the first signs of entrepreneurial potential on the dry expanses of the Navajo reservation, another intern team was helping a northern tribe of Native Americans navigate through a flash flood of business ventures.

The Chippewa tribal organization of Sault Ste. Marie, Michigan has experienced such phenomenal business growth over the past several years that “the organization has been unable to consider the global view of where it is going and how it is going to get there,” according to MBA Corps interns Debra Smith (MBA '93) and Marta Diaz. They quickly moved to begin the difficult task of helping the tribe develop a strategic plan for diversification of their business operations.

Those operations include two large and highly successful gambling casinos in the Upper Peninsula, three hotels, a janitorial service, two convenience stores, and a manufacturing business. The tribe employs about 2,000 people in business and government service but has no one to oversee the compensation and benefits and equity issues of all those



*Marta Diaz, one of the two interns who helped the Chippewa tribe of Sault Ste. Marie with the development of a strategic plan, is pictured with Bernard Bouschor, tribal chairman (left) and Allard Teeple, assistant to the tribal chairman.*

workers, says Marta. “They own 15 businesses, each with a CEO but no middle managers. They badly needed a structure for strategic planning, as well as middle management to implement it.”

Through interviews with more than 40 tribal leaders, she and Debra discerned that the Chippewas needed to develop two general areas: human resources and communication. To that end, the interns strongly recommended that the tribe search for a human resources director and that they streamline channels of communication among the business managers, the tribal Board of Directors, and the tribe’s Economic Development Commission, an advisory board comprised of both Chippewas and non-Chippewa community members.

Where Chris and Steve had focused on the early stages of business development for a tribe of a quarter million people spread across a huge land mass, Debra and Marta dealt with an organization of seven different Chippewa reservation sites

engaged in enterprises that had grown faster than their managers’ grasp of accounting and reporting procedures.

“The managers were doing general accounting without looking at cost-drivers and skills transference—they were just looking at their bottom line net income,” says Marta. The interns tried to convince their clients to do cost-benefit analyses, especially of their gaming businesses, in case of unexpected competition or a halt in cash-flow.

Knowing they needed to diversify, the tribal board used profits from the gaming business to buy other businesses—which they didn’t necessarily know how to manage, explains Debra. “They had the right idea and it was the right time for us to show them how to structure their expansion, such as collecting and sharing information more frequently, rather than just presenting one big financial report to the board each month.”

In general, the interns tried to help the Chippewas step back and

look at the big picture, rather than train them in specific business disciplines. The tribal chairman, Bernard Bouschor, is considering taking the senior executive program, and other members of the tribal government intend to pick up the finer points of financial planning and cost accounting at the Business School this spring. Marta, who is finishing her MBA, has maintained contact with the tribal board and hopes to help the members who come to campus participate in the School's Multidisciplinary Action Project (MAP). She says the internship in Sault Ste. Marie was ideal for her because "I like making a role for myself. I wanted to get my feet wet in consulting and strategic management in an autonomous and unstructured environment. In this job, we really were able to define our own project."

Debra, who received her MBA in 1993 and is now business manager of Lexington Christian Academy in Lexington, Mass., appreciated the "evolving" nature of the internship. For her, the experience seemed like a fast-paced case study that had become reality, "I drew on the knowledge I had gained in Business School more than I ever thought I would," she says.

Both interns have high regard for the tribal members they advised, for their willingness to accommodate suggestions and "take the risk of accepting our many recommendations," Debra says. Likewise, the Chippewas have benefitted from their work with the interns, says Krzyzowski. He credits the tribal members' acceptance of the interns' input to Debra's and Marta's "sensitivity to diverse ideas and interpersonal skills, as much as their professional skills."

## *The Chance to Work Up Close with a Visionary Leader in Detroit*

When Jacki Vander Brug talks about her MBA Corps internship, she cites "the unmatched opportunity to work up close with a visionary leader," referring to Eleanor Josaitis, energetic co-founder and associate director of Focus:HOPE. Josaitis, who Jacki describes as a person who can actually effect change in the face of real difficulty "by combining intelligence with practical action," was Jacki's supervisor in Focus:HOPE's food program, her mentor and evidently her inspiration.

Funded by foundation and government grants and by its own non-profit companies, Focus:HOPE aims to first, help fill people's immediate needs, and then, through training and education, help them provide for themselves. Its food program feeds about 84,000 Detroiters per month, and is part of the Communal Support Food Program, a network of similar food programs in 20 states. Josaitis has been trying to better coordinate the efforts of these programs to obtain federal support. She delegated much of that task to Jacki.

"I contacted the directors of programs across the 20 states and helped them tighten their networks, share successes and failures and prepare for an upcoming conference with the U.S. Department of Agriculture, their funding agency," says Jacki. "We worked on lobbying techniques to ensure that all the staffs would be concentrating on the same funding issues." She also helped the programs conduct back-checks on changes in their clientele to determine their latest funding needs. These financial analyses helped justify a \$10 million increase in funding for

nutrition programs "instead of the feared \$20 million cut," says Jacki.

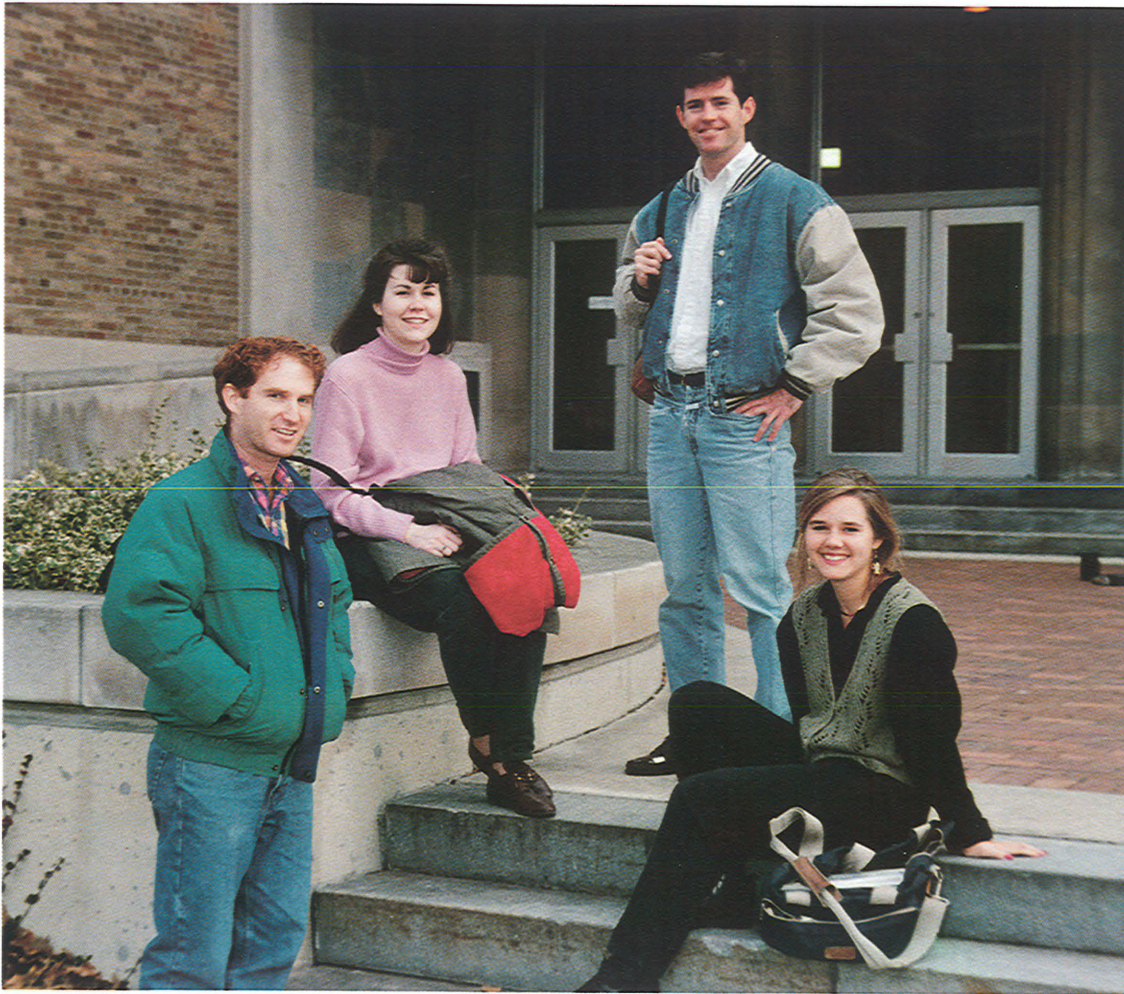
She drew heavily on communication skills for this job as she trained the staffs to work up spread sheets and summaries to discuss with legislative aides, Congressional staffs, and key committee members. "In some cases, all people needed to know was how to write effective letters to their congresspersons," she said. At the local level, she spent time with the managers of five district centers in Focus:HOPE's food program to assess the effectiveness of their operations and make recommendations for grants.

None of these responsibilities had appeared in a formal job description. "Help with the food program.... these are our needs," was all Jacki had been told when she went to work for Josaitis. Jacki learned most of what she needed to know about the organization from after-hours conversation with her boss, who after 25 of experience "had all the information in her head."

A completely different set of tasks was assigned to Kathleen Dougherty, who explains that she had not expected to find her work with Focus:HOPE in any way like that of her three years with Ford Motor Company as a Parts and Service Zone Manager. But at various points in her summer internship, she found herself back in the familiar shop atmosphere. She was responsible for researching placement opportunities for graduates of Focus:HOPE's Machinist Training Institute.

Since all of the graduates also had completed Focus:HOPE's "Fast Track" training to upgrade their academic skills, they had the qualifications necessary to begin successful careers in precision machining and metalworking. Kathleen's job was to seek out companies that would offer the good-paying jobs these graduates deserved after several years of intense study and preparation.

"I contacted former students to find out what they knew about job opportunities in their companies and did library research to build a check-



*MBA interns who worked in Detroit are pictured outside the Business School. From left to right, they are Douglas Wolfe, who worked with United Way of Southeastern Michigan; and Kathleen Dougherty, Brendan Fitzpatrick, and Jacki Vander Brug, all three of whom worked for Focus:HOPE.*

list of good machine company possibilities,” Kathleen says. She learned that the program’s track record included some “great success stories,” considering that most graduates had not enjoyed the best of educational opportunities before entering the program. One graduate, for example, was earning over \$100,000 a year as an equipment and set-up consultant.

Kathleen did not spend all her time at computer terminals in libraries and offices. “I learned about lathes and melts and grinds,” she says, “and that skilled machinists have become a rare breed in this country. I was glad I had a chance to help Focus:HOPE fill that need.”

Another student with a different set of responsibilities at Focus:HOPE was Brendan Fitzpatrick, who classifies himself as “one of the new business students of the nineties—people who are looking for ways to

straddle the fence between the social and business arenas.”

As an MBA Corps intern for Focus:HOPE’s new Center for Advanced Technology (CAT), Brendan helped CAT improve its quality of instruction to mostly low-income students and streamline its accounting procedure.

Run with the assistance of a coalition of five universities, the six-year program trains men and women to become engineer/technicians with theoretical and practical knowledge of advanced manufacturing equipment. The students in this program also gain hands-on experience as workers for some of CAT’s profit-making enterprises, which have contracts with manufacturing companies.

“The goal of the program, and of the federal agencies that support it, is to find a new paradigm for manufacturing, to fill the national need for

engineers who can service equipment and regain our competitive advantage over the Japanese,” explains Brendan.

One of his main projects was the development of a futuristic “strategy room” that is technologically equipped to “format information from different functional areas for conference presentations.” The rapid growth of CAT and Focus:HOPE’s for-profit companies has resulted in increasing specialization among the staff members, Brendan explains. To help synchronize their presentations, he designed a prototype conference room, replete with computers and electronic media.

Brendan also helped streamline CAT’s system of accounting for labor hours of both students and staff. “The production arm of CAT contracts with auto companies for the students’ labor, while govern-

ment agencies are paying for machine and training time," says Brendan. "Since both production and training occur at the same time, it was unclear whether CAT should bill Ford, for example, or the National Science Foundation for a single candidate's hourly wage.

Drawing on his cost accounting skills, Brendan analyzed a way in which to allocate CAT student and staff labor costs to two functions—production and training.

## *The Complexity of Allocating Funds at a Non-Profit Agency in Southeastern Michigan*

During Doug Wolfe's first week on the job as an MBA intern with United Way of Southeastern Michigan, he sat in on eleven volunteer committee meetings. His observations of the decision-making processes this far-reaching organization undergoes each year convinced him that management of non-profit organizations is every bit as complex as that of corporations.

As an independent observer, Doug was charged with evaluating United Way's new fund distribution system. Nearly 50 service agencies and organizations, established at grass roots, local and state levels, depend on this United Way office's allocations for all or part of their funding. Those agencies serve a diverse range of needs, from emergency food distribution, to alcohol treatment, to child abuse prevention.

He began his task by surveying and interviewing outside volunteers who make the funding decisions and executives of the service agencies that apply. He reviewed complaints about the old system to determine the effectiveness of the new one.

"I found that under both the old and new systems, the agencies suffer from lack of feedback," says Doug.

Brendan's own salary, and those of Kathleen and Jacki, were paid by people who have the same combination of acumen and social responsibility as Focus:HOPE's enterprises, believes Brendan. Donors Thomas and Pat Jeffs "didn't want to ignore the decay in Detroit," says Brendan. "They're interested in Focus:HOPE's work partly because of its altruistic nature and partly because it's just good for the economy." Tom Jeffs, MBA '61, is vice chairman of the board of National Bank of Detroit.

"The agencies have to come up with lots of information to make their allocation requests and the central office gives them money without much qualification or explanation. This sometimes results in the agencies questioning the motives of the United Way volunteer committee that makes the funding decisions.

"Worse, the recipient agencies often don't get feedback from anyone about the reasoning behind their funding allocations and therefore don't learn anything to help them prepare for the next allocation cycle."

Doug's evaluation report is still in revision. The United Way volunteer committee, which includes managers from companies throughout southeastern Michigan, will soon consider the perhaps controversial observations of a Michigan MBA candidate on the fairness and efficiency of this important allocation system.

Not only did the assignment give Doug the consulting experience he desired, it afforded him an inside view of a non-profit agency "with a business culture and political considerations that are very different from a profit-making business," he says. "I found that educational."

## **Our Donors Made This Possible**

Now beginning its third year, the Domestic MBA Corps program is made possible by gifts from individual donors and organizations, and by the Business School's financial support. Donors who made the MBA Corps possible this year include:

■ Peter and Susan Ordway, who funded the program in Battle Creek. He is CEO of Union Pump Company in Battle Creek, a manufacturer of pumps for the process industries.

■ Tom Jeffs, MBA '61, vice chairman of the board of National Bank of Detroit and his wife, Pat Jeffs, BA '63, who funded the interns who worked for Focus:HOPE.

■ Ameritech (Michigan Bell) was the donor for the internship at United Way of Southeastern Michigan.

■ The Chippewa Tribe of Sault Ste. Marie, Michigan funded one of their two interns.

■ The internships on the Navajo Reservation were made possible by contributions to the Business School's Annual Fund.

All of the support for 1993 interns has now been renewed for the support of interns in 1994.

In addition, as we go to press, a pledge to fund two Domestic MBA Corps internships in 1994 has been made by the Lawson Valentine Foundation, and alumnus George J. Nichols, BBA '55, has pledged to fund an intern in Washtenaw County.

## Moving a Plan from Blueprint to Reality

While his fellow MBA Corps interns were working on remote Indian reservations and in congested inner city offices, Scott Kauffman took his business expertise to western Michigan's heartland in "Cereal City." As a business planning consultant for Battle Creek Unlimited (BCU), Battle Creek's economic development corporation, Scott took on the business plan for a major expansion of Battle Creek's W.K. Kellogg Airport.

The project includes moving Western Michigan University's (WMU) School of Aviation Sciences to the Battle Creek airport and expanding the facility to provide aviation training.

The idea was already in place when Scott arrived, but it needed a detailed financial analysis, a complete business plan, and an eco-

nomonic impact analysis of the net effects the new aviation program would have on the community.

In providing all of the above, Scott helped move the plan from blueprint stage to a successful peacetime conversion of an underused and high quality runway to a use that would greatly benefit the Battle Creek-Kalamazoo community. His five-year business plan actually helped BCU secure investment backers for the project, according to Jim Hettinger, BCU president.

"Based on our experience with Scott, I would be very interested in receiving similar assistance from the MBA Corps in the future," he said.

WMU had already presented evidence of a projected world-wide pilot shortage—particularly of minority pilots—as a result of the downsizing of the military. BCU therefore knew that a new pilot training facility would probably receive support in filling that need, but had few hard numbers about how it would affect the community.

"My economic impact analysis concluded that about 450 new jobs would be created for pilot training, operation of the expanded facility

and additional aircraft, and to provide services for the residential complex," Scott says. "I projected the facility would cost about \$36 million and provide over \$24 million in annual cash flow. WMU's faculty would be training 400 new pilots every 18 months with a possible doubling of capacity in the future."

Scott's financial forecast incorporated experience he had gained in public accounting. The business plan used strategies from Lecturer Andrew F. Lawlor's entrepreneurship class.

The project already has received funding from the Kellogg Company, Kellogg Foundation, and from WMU. Last fall, the United States Congress approved another \$6 million for the pilot training program, enough to start construction and renovation work and sign contracts with major airline pilots, Scott says.

For Scott, the project went far beyond what he had pictured as a typical summer internship. "This experience has given me a better idea of what I want to do next and thus made me more enthusiastic about finding the right job for me," he says.

*Scott Kauffman, who wrote a business plan for a major expansion of Battle Creek's W.K. Kellogg Airport during his internship, is shown at the airport standing next to the plane in which he took a flight lesson during his off hours.*



**T**he emerging city of the '90s was discussed by a panel of outstanding business and real estate people at the capstone event of the seventh annual Real Estate Forum, held Nov. 6th.

Panel members included:

■ Alfred Taubman, founder and chairman of the Taubman Company, one of America's leading real estate developers and operators of regional shopping centers. He is also chairman of Sotheby's Holdings and the owner of Woodward & Lothrop and John Wanamaker department stores and the A&W restaurant chain.

■ Carol O'Cleireacain, (UM MA economics '70), who was recently appointed budget director for New York City after nearly four years as commissioner of finance. She oversees an annual budget of over \$31 billion and a capital budget and financing plan of approximately \$5 billion.

■ Paul Dimond, special assistant to President Clinton for Economic Policy, who heads the Administration's working group on community and economic empowerment in America's distressed communities. Included on the interagency working group are representatives from HUD, Agriculture, Commerce, Treasury, HHS, Education, Labor, Transportation, Justice and the Small Business Administration.

■ Russell Epker, BBA '64, general partner of the venture capital firm of Berkshire Partners, who served as moderator of the panel. He has 14 years of operating experience with Ford Motor Company, Xerox Corporation, and Tyco Laboratories, Inc. As Vice President of Operations at Tyco, he also directed the company's acquisition program, which resulted in Tyco's growing from \$34 million to nearly \$600 million in sales from 1974-1981.

■ Robert Keller, who was recently appointed president of Detroit

# REAL ESTATE FORUM CONSIDERS SUBURBAN VS. DOWNTOWN DEVELOPMENT



Renaissance, a civic organization dedicated to the economic and physical revitalization of Detroit. Previously, as president of the Greater Baltimore Committee, he oversaw economic infrastructure improvements and community development.

Taubman started the panel by commenting thoughtfully on the development of the suburbs and its causes. Excerpts from his remarks follow:

"Although Ross Perot thinks the 'great sucking sound' you hear is

American jobs moving to Mexico... others are convinced that over the last 40 years the 'sucking sound' has really been caused by suburban malls pulling people and development out of downtowns.

"I'd like to argue that laying the decline of America's historic downtowns on the doorstep of the post-World War II suburban shopping mall just doesn't hold up in historic context.

"First of all, we have to remember that the attractiveness of a suburban



lifestyle is certainly not new. In fact, if you've read Columbia Professor Kenneth Jackson's terrific book, *Crabgrass Frontier*, you're familiar with

In response, retailing moved cautiously out from downtown to the areas of strongest residential growth.

"In the first half of this century, established downtown department stores — powerful corporate citizens in their cities — exercised extraordinary control of land use, the political process, and retail competition.

"Because of this control, department stores were able to make it difficult — if not impossible — for chain merchants and specialty stores to secure downtown

locations. But with strong markets developing beyond the central business district, outcast stores found locations we in the industry called "hot spots" — two, four or six miles from downtown.

"These streetfront properties — anchored by chain, variety or specialty stores — were serviced primarily by foot traffic, buses, street cars, and automobiles. Consider this: From only 8,000 registered cars in 1900, the number grew to 8 million by 1920 ... and over 23 million cars by 1930.

"As you all know, suburban growth after World War II was further encouraged by federal programs offering affordable financing to new home buyers, and historic expenditures on highway construction. In effect, the '1-1/2 car family' was subsidized to leave the city.

"To make matters worse, experiments in the '50s and '60s to build affordable housing in the inner city

were, in most cases, disastrous. These highly subsidized, poorly planned projects were not competitive alternatives to the abundant middle-class opportunities in the suburbs.

"We all know that people shop where they live, not where they work, so begrudgingly, downtown department stores — still in control, but humbled by important free-trade rulings after World War II that loosened their monopolistic grip on locations, markets and brand merchandise — began building major new suburban centers, allowing chain merchants to join them in these convenient new locations.

*"Our property seems to me the most beautiful in the world. It is so close to Babylon that we enjoy all the advantages of the city, and yet when we come home we are away from all the noise and dust."*

*- Inscription found on a clay tablet dating back to 539 B.C.*

"Clearly, the 'great sucking sound' heard after the war was not caused by the suburban mall . . . the shopping centers on the 'crabgrass frontier' were simply chasing people.

"In fact, at the risk of oversimplifying a very complex socioeconomic phenomenon... suburban sprawl can be understood by recognizing the influence of what I'll call 'the four C's': Capacity, Competitiveness, Convenience, and Congress.

"As I mentioned a moment ago, most American downtowns did not have the capacity to handle the population explosion of the mid-20th century. Certainly not all of it. Cities responded in different ways to this challenge.



▲ A. Alfred Taubman, founder and chairman of the Taubman Company, one of America's leading real estate developers and operators of regional shopping centers, answered questions informally after the panel discussion.

the following inscription found on a clay tablet dating back to 539 B.C.:

*'Our property seems to me the most beautiful in the world. It is so close to Babylon that we enjoy all the advantages of the city, and yet when we come home we are away from all the noise and dust.'*

"We tend to focus on the 1940s and '50s as the 'dawn of America's suburbs.' Yet as early as 1920, immigration, migration from the rural South, and the flow of servicemen returning from World War I, had already combined to cause a wave of urban population growth.

"Our cities, as they existed, just didn't have the capacity to accommodate all these newcomers. So growth migrated to the city's fringe.



*Carol O'Cleireacain, (UM MA economics '70), budget director for New York City, where she oversees an annual budget of more than \$31 billion and a capital budget and financing plan of approximately \$5 billion.*

“Take San Jose, California for example. In 1940, the city’s population was 68,000. By 1970 that number had grown to 484,000! San Jose’s attractive downtown did not have the physical capacity to absorb all these people or the retailers who wanted to serve them.

The town fathers didn’t want to destroy the character or scale of downtown . . . so as the entire San Jose metropolitan area grew to over one million people, shopping centers were built in the suburbs . . . where the new shoppers, roads, schools and jobs were going.

“On the other hand, in Columbus, Ohio — where the metro area population doubled from 1950 to 1990 — the downtown area had the infrastructure and land area capacity to maintain its retail vitality.

“We recently built a major shopping center in downtown Columbus across the street from the

State Capitol building . . . bringing Jacobson’s and Marshall Field’s into the market for the first time, connecting over one million square feet of *new* retail space to the city’s historic Lazarus flagship department store containing over 600,000 square feet.

“Although there is, and soon will be more, retail competition in the suburbs, Columbus City Center assures the downtown’s regional competitiveness for decades to come.

“Unfortunately, if you look at Detroit, you find a very different story.

“In 1950, 1.8 million people lived within the city limits of Detroit. By 1990 that number had fallen to just one million. Where did the 800,000 people go?

“The Detroit metro area actually grew from 1950-1990 — from 3.2 to 4.3 million people. But the newcom-

ers were not choosing to live downtown . . . they settled primarily in suburban Oakland County, which grew from 400,000 people in 1950 to over one million by 1990.

“While 57.5 percent of the population in the Detroit metro area lived in the city in 1950, only 24 percent live there now. Unlike Columbus, Detroit’s downtown did not remain competitive against the suburban or regional alternatives, and has virtually no major retailing today.

“Which brings me to the second ‘C’.

“Downtowns are in competition with other cities and suburbs for business, investment, people and resources. Detroit in the ’60s and ’70s — although it had the land-area capacity to grow, and still does — ceased to be competitive.

“After the devastating riots in the summer of 1967, residents fled... and the most affluent were able to flee first. Once those people found themselves living in the suburbs, they preferred jobs close by. They also preferred to shop and be entertained close by.

“That’s the third ‘C’— convenience! Southfield, Troy and Auburn Hills were created, in large part, to provide convenience. Columbus City Center, even with its unique stores, would not succeed if it weren’t convenient to many of the area’s best residential neighborhoods, and served by a regional road network that reaches out in all directions from downtown.

“Yes, capacity, competition and convenience set suburban growth in motion... but it’s the fourth ‘C’ — Congress—that accelerated the process.

“You know the legislative history:

- The Federal Highway Act of 1916
  - The National Housing Act, which in 1934 established the Federal Housing Administration
  - The 1944 GI Bill
  - The Interstate Highway Act of 1956
- and on and on . . .

“Well, that’s my quick history lesson. Dispelling the myths about retail development will help us to

focus on the policies and programs that will keep our historic downtowns competitive . . . and improve the quality of life in our developing suburban communities.

“Clearly, the key to Detroit’s and most cities’ viability is housing. All recovery begins with attractive, market-rate housing. Remember the ‘great sucking sound?’ It’s housing and competitive neighborhoods drawing people, opportunity and investment.”

**T**he Real Estate Forum is an annual seminar that highlights emerging trends in real estate investment, finance, development, and architecture. It brings together practitioners, alumni, students, and leaders in the real estate industry. The Forum was initiated in 1987 by the Michigan Business School, and is co-sponsored by the College of Architecture and Urban Planning. This year’s Planning Committee Chair was Peter T. Allen, MBA ’73, president of Peter T. Allen & Associates, Inc., and adjunct lecturer in real estate at the Business School.

Besides the panel discussion Saturday morning, a Friday afternoon panel featuring regional leaders considered regional development trends. Also on Friday, Dennis R. Capozza, the Stephen Ross Professor of Real Estate Finance, presented his annual update on national real estate risk.

Workshops held at the Forum focused on topics such as affordable housing; downtown development directions for the ’90s; public policy and environmental issues; marketing and marketing research; REITS and UPREITS; and a lender update.

Audiotapes of all of the presentations, including the workshops, are available from Goodkind of Sound, Route 3, Box 365AA, Sylva, NC 28779. (Telephone 1-800-476-4785)

The next Real Estate Forum is scheduled for November 11 and 12, 1994.

Photos by Gregory Fox



*Paul Dimond, right, special assistant to President Clinton for Economic Policy, who heads the Administration’s working group on community and economic empowerment in America’s distressed communities, and Robert Keller, left, who was recently appointed President of Detroit Renaissance, a civic organization dedicated to the economic and physical revitalization of Detroit.*



*Russell Epker, BBA ’64, general partner of the venture capital firm, Berkshire Partners, moderated the panel discussion.*

# Grace Under Pressure, and A Sense of Humor Too!

## First-ever Staff Recognition Awards Go to Six Very Deserving People

Once a visiting lecturer at the Business School found that his upper plate had suddenly cracked, making it impossible for him to give his speech. But a resourceful business school employee called the Dental School, located someone who could take care of him immediately, and waited to make sure the problem was resolved in time for the speech.

Such activity above and beyond the call of duty was just one example of many that earned six people the first Staff Recognition Awards to be given at the Business School. The awards consist of \$500 cash for each recipient, along with a certificate of achievement. In addition, the names of recipients will be displayed on a plaque to be hung at a central location in the School.

The awardees, and some comments from their nomination forms, included: Mary Witalec, program analyst in computing services (“always patient, understanding and helpful as she answers hundreds of questions”; “when called with a problem, regularly volunteers to ‘come right over’ to see what the difficulty is”); Edward Adams, systems project coordinator at computing services (“he is happily available — *I mean anytime and happily* — to discuss issues after work hours, weekends, and even on his vacation.”); Barbara Power, recorder in admissions and student services (“I have always thought ‘this woman deserves a medal’ for being so patient and

kind”; “she always maintains her sense of humor”).

Other recipients were John Bresette, facilities coordinator (“I have often had to go to John at the last moment for a computer or an LCD panel and John has always come through. He is very resourceful

not afford this extra time. I was free to leave after the first hour, of course, but Ms. Pittsley was being so helpful — and I knew that the rest of the class would stay to the end and get advantages over me — that my competitive spirit drove me to stay.”)

The Staff Recognition program was made possible by a hard-working staff committee who developed the criteria; designed the nomination forms; worked out a procedure to “blind” the selection process; arranged the kickoff event; and thought through all the myriad details connected with a program of this kind.

Members of the Committee included Nancy Barnett, Stacey

Brooks, Joan Donbrowski, Debbie Lentz, Mary Ceccanese, Elsie Orb, Melinda Stuber, Pat Thomas, Barbara Kirby-Bloch, Kendra Weasel, and Jackie Williams.

Criteria for the awards, which are given based on peer review by colleagues, fell into two categories: first, performance, which includes thoroughness, cooperation, teamwork, willingness to take on additional tasks, and putting forth extra effort to help others; and second, innovation, shown in creativity, cost-consciousness, and initiative. People making nominations were asked to give specific examples on the nomination forms to illustrate how the nominee excelled in any of these areas.

The awards will be given twice a year to as many as six staff members each time.



*Pictured are staff members who received Recognition Awards in a new program inaugurated by the Business School. Left to right, they are, John Bresette, Katherine Pittsley, Barbara Power, Rebecca Gaffney, Ed Adams, and Mary Witalec.*

and I have great respect for his innovative approaches. I can be assured that when I deal with John, I cut right through the red tape!”); Rebecca Gaffney, administrative assistant, (“this person displays the whole concept of teamwork; I would ask Becky to be on my team in a micro-minute, because I know whatever you ask her to do it’s as good as done”); and Katherine Pittsley, assistant librarian (“what was supposed to be a one-hour session stretched to two hours. I had a huge paper due the next day and could

# Ways to Succeed in Business in a Transitional Economy

The Davidson  
Institute's  
Partnership  
Program  
Involves  
Managers,  
Faculty and  
Students  
Where the  
Action Is

**P**řemysl Parák stands in the front of a large classroom at the Executive Education Center in Ann Arbor. Members of the audience, many of whom represent emerging businesses in countries with transitional economies, are listening sympathetically as he discusses strategies to develop new markets for the small aircraft his company manufactures.

Parák is representing LET, located in Kunovice, the Czech Republic, which is one of the eight Enterprise Partners of the Davidson Institute. The eight represent manufacturing enterprises in the Czech Republic (1), China (2), Hungary (1), Poland (3), and Russia (1).

Parák's talk is part of the concluding work of a three-week Executive Development Program (EDP) offered in late summer by the Davidson Institute to its Enterprise Partners. The program consists of instruction in managerial functions, executive skills development, finance, marketing, cost containment, and analysis of major business problems. Its core faculty includes M.P. Narayanan, associate professor of finance, who is faculty director; Rajiv Batra, associate professor of marketing; James Walsh,

associate professor of organizational behavior and human resource management; Aneel Karnani, associate professor of corporate strategy and international business, and Paul Sweeney, assistant professor of operations management.

At the end of the EDP program, participant managers engage in action planning sessions to address the problems they have identified as the most critical issues facing their organizations. The managers, along with Davidson Institute interns who spent the summer in their companies, have examined their companies' operations, and today, they are sharing some of the results of those analyses.

For example, the two Enterprise Partners from China are in the throes of adjusting their production and management to new market demands. Dong Feng Motor Corp., a truck and bus manufacturing firm, has over 300 suppliers—far too many for cost-effective management, according to Shen Ning Wu, Dong Feng's vice president. "We are trying to get more products out of fewer suppliers and to better evaluate their performance," he said. "We need more timely and efficient delivery."

But the company's efforts to institute a "just-in-time" delivery system are complicated by the difficulties of transportation. According to second year MBA student David Gonzalez, one of the company's Intern Fellows, the factory must plan three months in advance for parts it needs if they must come from outside its home province of Sichuan.

The Davidson Institute is fostering relationships in several directions; it's matching companies in transitional economies with Business School faculty and U-M internship fellows. In some cases, the Institute's work involves Western Partners—companies that have a business relationship with one of the Enterprise Partners and also commit funds to sponsor the internship team to that enterprise. Western Partners in the 1993 program cycle included Cummins Engine, Allied Signal, Ahlstrom Pyropower, and AT&T.

"Our approach is direct involvement," says Edward Snyder, director of the Davidson Institute. "We don't want to be away from the action. Our programs get our students and faculty working directly with managers in transitional economies on the business and public policy problems they face."



*Přemysl Parák, managing director of LET, a maker of small airplanes in the Czech Republic (right), talks with Phil Barta (center), a Davidson intern who speaks Czech and who is getting his masters in Russian and East European studies. Seated left is Rajeev Batra, associate professor of marketing, who was the Business School faculty member assigned to the team.*

Teams of three interns each—two MBA students and one Masters student in a relevant Area Studies Program—worked during the summer in-country with each Enterprise Partner. Interns were responsible for sharing their knowledge of basic business skills with all employees of the Enterprise Partner. Also, to the extent that the Enterprise Partner welcomed it, they engaged managers in discussion, explained various management approaches to everyday business problems, and were generally available to anyone who had questions.

**F**or example, Chongqing Automotive Engine Plant called upon the Davidson team's problem-solving skills to help the plant improve inventory control. The team determined that the plant's managers were simply not accustomed to planning production levels according to market demand, rather than government quotas. Even with a contract to sell 60 parts to a customer, that customer can change his mind, deciding to take only 20, and there's nothing a company can do.

Thus, at an annual sales meeting in June, the company knowingly signed 30 percent more contracts than it could handle. They figured their customers had probably inflated their needs, knowing the firm probably wouldn't be able to supply all its customers' demands anyway.

Fortunately, the plant's managers were very open to the intern team's ideas and continuously tried to set goals to improve production and inventory control. In fact, Wang Zuo Rui, plant manager, reported at

the EDP briefing that one of the plant's goals is to "use new technologies and management techniques to improve production and management quality."

Intern teams also conducted an operational analysis of a business problem or process in a key division or unit of the Enterprise Partner. At the end of the internships, the students provided a written report of their assessments for the Enterprise Partners.

These assessments served as the basis for discussions and action plans during the final phase of the three-week Executive Development Program.

"Business is about results," commented Business School Dean B. Joseph White. "It's not just about ideas and concepts. We're partnering with these companies to increase, over several years' time, the capabilities of the managements of the Enterprise Partners. This is important because we believe that the success or failure of these transitional economies will ultimately be determined at the level of the firm."

Cummins Engine Company, one of the Western partners, has been pleased with the results of the first year. "I want you to know how pleased we have been with the first year of the Davidson Program," said Jack K. Edwards, vice president, international. "Our Chinese partner, the Chongqing Automotive Engine Plant, has also indicated their satisfaction, both with the excellent intern team they hosted as well as the seminar in Ann Arbor. In fact, the group came straight from Ann Arbor to Columbus armed for our negotiations with their new Davidson calculators and ready to put an improved understanding of discounted cash flow to their advantage!"

"Action planning, as taught in the EDP program, was a new concept for many of our participants," commented Davidson Director Snyder. "But the reports indicate that the EDP participants are using the tools consistently. The LET (Czech Republic) group said that they are surprised, in some respects, by how often they draw upon the EDP courses for guidance."

The goals of LET—such as increasing sales volume of the small airplanes they manufacture and providing better services—are similar to those of most western companies. But few western companies also face the task of completely rebuilding their quality control systems. LET must greatly

improve quality control in order to implement a set of international quality manufacturing standards. Without adherence to those standards, LET will not be competitive in the global marketplace.

Lada Service, a subsidiary of AutoVAZ, Russia's largest automobile manufacturer, assigned a difficult mission to its summer Intern Fellows. The auto sales and services company and the Institute agreed that the interns would research and report on the interaction of 25 of AutoVAZ's 300 subsidiaries.

The interns found very little information flow between AutoVAZ and those businesses. In fact, top management had never received an internal report outlining how the subsidiaries related both financially and operationally, said Lorne Zalesin, one of Lada's interns.

At the EDP briefing, Anatolij Perfirevich Voloshin, vice president of Lada-Service, indicated that Lada is interested in forming a joint venture with an American company to sell parts for American auto imports. However, the company now realizes that internal communications need improvement before such ventures with outside partners will function well.

The Enterprise Partners were represented at the Executive Development Program by several managers from each company, who reviewed the interns' analyses and discussed their individual plans for implementation. Some of these discussions generated proposed business strategies and specific timetables for meeting goals. The EDP sessions also highlighted challenges characteristic of emerging businesses in countries making the transition from command to market-oriented economies.

**T**he problem of "not enough working capital" has frustrated managers of Glasunion Ltd., a Hungarian manufacturer of brown sheet glass, according to Marcia Gorocs, deputy managing director of Glasunion. With just four banks and one finance company in the country, emerging businesses must compete vigorously for bank loans. "It has been a great help to learn how U.S. manufacturers approach problems of capital acquisition," Gorocs said.

"We also have learned, from the Intern Fellows' marketing research, that we must

concentrate not only on our product but also on the customer."

Glasunion's action plan, like those of most of the Enterprise Partners, includes investment in better information resources and computerization. "We have major information flow problems," Gorocs said. "There is no central database of information, so it is not shared—it just vanishes."

Kablex, an electrical and telecommunications company in Lapino, Poland, had to temporarily suspend production due to its lack of working capital. But the ten-year-old company managed to attract enough new investors to survive while many other commodity-producing companies did not.

The new market economy brought forth another previously unconsidered issue: customer behavior. "We need to find incentives to get our customers to pay their bills within 14 days and to improve supervision of collection time," a Kablex manager told EDP participants. The answering nods of Western Partners and Business School faculty and corporate visitors assured him that this goal has yet to be met by some businesses in capitalist countries.

Ahlstrom Fakop, Ltd., a manufacturer of boilers, and its intern team developed a set of goals that could benefit just about any free-market manufacturing business. They include investment in new shop layout and machinery—as long as operations are within the budget; implementation of a new salary and wage system; completion of negotiations with the trade union; and, most important, the goal that "all goals be measurable," said Lauri Tanskanen, president of operations for Ahlstrom Fakop.

*Marcia Gorocs, deputy managing director of Glasunion Ltd., a Hungarian manufacturer of brown sheet glass (center), is pictured with Aneel Karnani, associate professor of corporate strategy and international business (left), and Rajiv Advani, second year MBA student who is also an industrial engineer and one of the Davidson interns assigned to Glasunion.*





Anatoly Perfirevich Voloshin, vice president, Lada-Service of AutoVAZ, Russia's largest automobile manufacturer (right), talks with Lorne Zalesin (center), second year MBA student who was a Davidson intern with AutoVAZ, and James Walsh, associate professor of organizational behavior and human resource management.

"One of the most interesting aspects of being involved in the Partnership Program is the opportunity to study the *process* of transition to a market economy," comments M.P. Narayanan, faculty director of the program. "For example, one needs to address issues such as how a business unit can make decisions that maximize its owners' wealth (which is the objective of businesses in market economies) when the institutions that define a market economy are all not yet in place? Clearly the traditional market economy prescriptions do not necessarily work under these conditions."

At the Telekomunik ACJA Polska S.A. (Polish Telecom), the intern team helped estimate demand and future growth and develop a marketing plan. "Marketing is nonexistent!" said Renata Bogdan, vice director of OTO-Lubin. The action plan of Telecom should make improvement in marketing a top priority, she believes. "We must learn to perform market research on the global level and plan according to the results."

Polish Telecom also recognizes the need to reconfigure its management from a vertical, authority-based structure to a horizontal team, to institute a cost-tracking system, to form strategies for privatization and growth, and to create a "customer-oriented culture," she said.

Each Enterprise Partner will remain with the Davidson Institute for at least three years. The Institute needs that time to assess the program's impact, collect data to support its research on transitional economies, and offer the Executive Development Program to a significant number of the firm's managers.

Photos by Gregory Fox

## THE PARTNERSHIP CYCLE

### FEBRUARY

Davidson Institute Internship Fellows are selected and grouped into cross-functional teams. They participate in team-building exercises, develop their foreign language skills, and learn about the business and political environment of their prospective countries. The Davidson Institute then hosts a two-day planning seminar involving one senior executive from each of the Enterprise and Western partners,\* the Internship Teams, and the Institute's core faculty and staff.

### EARLY MAY

Interns and faculty participate in country-specific orientation programs on the language, history, culture, economic conditions, and business environment of the country in which they will work.

### MAY - JULY

Internship Teams work in-country with the Enterprise Partners to accomplish the goals and objectives agreed upon during the Planning Seminar. A member of the Institute's faculty will visit each enterprise. Each team prepares a written assessment of the business environment of the firm and conducts an operational analysis of a specific business process or issue chosen by the firm.

### JULY - AUGUST

The Executive Development Program (EDP) is held in Ann Arbor. English-speaking managers from the Enterprise Partners participate in this three-week course designed to provide them with the core business skills necessary to make their firms competitive in the global marketplace. The Internship Teams' assessments are discussed during the course.

### AUGUST

Senior managers from the Enterprise Partners participate in the Senior Management Seminar held in Ann Arbor during the last week of the Executive Development Program. Western Partners\* participate in the final two days and discuss the proposed business strategies and action plans for each Enterprise Partner.

### SUBSEQUENT MONTHS

The Institute's faculty and staff assist managers from both the Western and Enterprise Partners in monitoring the implementation of their action plans.

\*The term "Western Partners" refers to companies that have a business relationship with one of the eight Enterprise Partners and also is a sponsor of the internship program. Western Partners in the 1994 Cycle include AT&T, Ahlstrom Pyropower, Allied Signal, Cummins Engine, Ford, and Whirlpool.



# Japan Technology Management Program Receives \$1.3 Million in New Funding

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The program is part of a growing trend toward cooperation between colleges within U-M on international research and teaching

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A program to help America compete in a global economy by learning how the Japanese manage technology has received a \$1.3 million renewal grant from the federal government.

The Japan Technology Management Program (JTMP) is directed by Jeffrey K. Liker, associate professor of industrial and operations engineering. Co-directors are Brian Talbot, professor of operations management in the School of Business Administration, and John Campbell, professor of political science in the College of Literature, Science, and the Arts. The program, which is housed in the Center for Japanese Studies, is part of a growing trend at the University of Michigan toward cooperation between different colleges within U.M. on international research and teaching.

"In the first two years we learned a lot about how large Japanese companies manage various phases of the technology development process and we developed the contacts and infrastructure to place students in internships," says Liker. "Now our primary goal is to disseminate what we learned and expand our programs for students. For many years Japanese companies have learned from America and very effectively used what they learned to their advantage. It is time that Americans become open to learning from some of the leading industrial nations like Japan

to our advantage. In our first two years we found many Japanese companies more than willing to work with us who said they felt obligated to give something back to America in return for all they learned from us. But without knowing Japanese there is a limited amount our managers and engineers can learn."

In the first two years of the program the emphasis was on learning from the Japanese primarily by visiting companies in Japan and carrying lessons back to the United States. Research teams learned about how they managed new product development, their strategic approaches to joint ventures, how they designed and organized manufacturing systems for global competitiveness, and how American companies have been learning from Japanese successes in manufacturing. Findings were disseminated through seminars held at U-M and a one-day satellite TV broadcast through the National Technological University.

The newly funded phase will shift to an emphasis on dissemination. JTMP will continue to sponsor short courses at U-M and satellite broadcasts, but in addition there will be on-site instruction in companies and at government labs, direct consultation with companies, and partnerships with not-for-profit research and development institutes whose mission is to disseminate new tools and methods to industry. For

example, the Industrial Technology Institute (ITI) in Ann Arbor will take the research findings generated by faculty and develop courses and consulting packages for industry. ITI is a regional Manufacturing Technology Center of the federal government and routinely delivers technology assessment and consulting services to hundreds of small and medium-sized businesses. U-M faculty conducting research under the JTMP program will work with ITI to incorporate lessons learned from Japan into these services. Ultimately, these services might reach thousands of companies through the national network of seven Manufacturing Technology Centers nationwide.

The U-M was one of five institutions to win support out of over 25 proposals received by the Air Force Office of Scientific Research. The other four institutions are M.I.T., University of Washington, University of Wisconsin-Madison, and University City Science Center. The directors of the program attribute their success in large part to their proven track record in the first two years. In that time, 15 research projects were carried out, leading to a book on Japan Technology Management which is now in process; hundreds of engineers and managers in the

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*Continued on page 40*

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# Alumni Activities

## The "Rank Revue" Is a Major Hit at Reunion Weekend

A "Jeopardy" panel sits on stage in Hale Auditorium. They are pondering the final "Jeopardy" question: "What does the "B" stand for in B. Joseph White?"

Hmmmm. (A fragment of Jeopardy 'thinking music' plays in the background). One panelist guesses "Bernard," but is told, "Get real. That was his original name, but in keeping



*"Born to be Wild" music accompanied the roaring of motorcycles during rehearsals of one of the scenes in the "Rank Revue," a lighthearted look at the Business School presented during Alumni Weekend. Starring in the skit, and looking cool in their black leathers, are (left to right) Ellen Byerlein, director of development and communications; Frank Wilhelme, assistant to the Dean for development and corporate relations, and Dean B. Joseph White. (Photos by D.C. Goings)*

with the spirit of TQM and staff empowerment, he changed his name to Barney."

A huge picture of Barney then appears on the screen with Dean White's face superimposed. The scene closes with Barney music ("I love you, you love me, we're a happy fam-i-ly").

This was just one of the scenes in the "Rank Revue," a lighthearted look at the Business School on its way into the 21st century, which enlivened Friday evening festivities during Reunion Weekend, October 22. The "Jeopardy" skit starred Valerie Suslow,

associate professor of business economics and public policy; Peter Allen, MBA '73, adjunct lecturer of real estate at the School; Paul Seguin, assistant professor of finance; and Ph.D. student Karen Schnatterly, who also directed the production.

The Revue was presented in Hale Auditorium following the alumni dinner at the Executive Residence dining room.

Alumni Weekend, which took place during U-M Homecoming, continued Saturday morning with presentations by students, faculty, and executives whose firms participated in the first William Davidson Institute Partnership Program. A tailgate party in the Business School Portico followed, and then alumni attended the U-M vs. Illinois game.

Next year, Reunion Weekend will be held October 28th and 29th. If you are from the MBA classes of '89 (5th Year Reunion), '84 (10th Year Reunion) or '69 (25th Year Reunion), please mark your calendars. It promises to be a great weekend.

## Alumni Board Discusses Its Strategy & Goals

At its fall meeting, held October 22, the Alumni Society Board of Governors continued its ongoing discussion of ways to be helpful to the School, focusing on the admissions process, programs for alumni, and ways alumni can help in career development activities.

Senior Associate Dean Paul Danos reported to the Board on the School's new Cathay Pacific program, and Marian Krzyzowski and student representatives discussed the Domestic MBA Corps internships. Dean B. Joseph White also spoke on the School's activities and strategy.

The Board also heard about a new program in which alumni volunteers will call newly admitted students to discuss the School and its programs, and offer their personal perspectives on the School.

Retiring members of the Board were recognized at the Fall meeting. They included Fred Brodsky, MBA '67; Ann Finlayson, MBA '75; Sharon Meadows, MBA '76; Marty Edwards, BBA '53, MBA '54; John Harris, MBA '60 and Keith Waldrop, MBA '71. Eight new members began their terms at the Spring, 1993 meeting.

The Spring meeting of the Board is scheduled for March 11.



*Sharon Reed Walker, BBA '74, MBA '81, received the Bert Wertman Alumni Service Award during Reunion Weekend.*

### Sharon Reed Walker Wins Bert Wertman Award

Sharon Reed Walker, BBA '74, MBA '81, CFO at Soft-Sheen Products, received the annual Bert F. Wertman Alumni Service Award at ceremonies on Reunion Weekend. The Award recognizes an alumnus or alumna for outstanding service to the School.

Sharon was cited for her support of the school, its students and alumni, her work with student recruitment, job placement and the school's LEAD program for minority high school students. She is currently a member of the Industrial Advisory Board for the Michigan Joint Manufacturing Initiative as well as the School's Corporate Advisory Board. She is also a former member of the Alumni Society Board of Governors. Twenty years ago, when she was a BBA student here, she was a founding member of the Black Business Students Association.

"Whatever I have done here as an alumna has been an act of appreciation," she said on receiving the award.

"My Business School degrees have opened doors of opportunity for me I hadn't dreamed about. When I came here, I had no intention of becoming a corporate executive. My 20 years as an alumna have paid off very well."

After graduation, Sharon began her career at Dupont before joining Scott Paper Company and Soft-Sheen Products, which is the largest African-American owned manufacturing company in the world.

### Alumni and Students Meet in Taipei, Taiwan

Eleven Michigan alumni and four MBA students met for a reunion in August in Taipei, Taiwan, and decided to meet at least once every year and to establish the Taiwanese Chapter of the "Global Blue" Association.

For their reunion, Michigan alumni invited the Chairman of Taiwan Stock and Security Exchange Committee, Mr. Dai, to speak on the government's policy on stock and security.



*Present at the dinner were (first row, left to right) Chyi-long Hu, MBA '76, president, China Trust Investment Corp; Dr. Paul Hsu, MBA '64, Ph.D. '74, professor and previous dean of the business school at the National Taiwan University; Gordon Chang, MBA '88, marketing manager, Ford Credit Corp. In the second row, left to right, are pictured Hsiao-Lin Huang, MBA '94; Freddie Liu, MBA '90, manager, CitiBank; Thomas Hsu, MBA '89, manager, Baque Paribas Bank; Casper Huang, MBA '90, manager, Schroeder Security; Chin-Chyan Kuo, MBA '89, special consultant, Yu-Loong Motor; Benjamin Chen, MBA '93, project manager, Ho-Hsin Communication Corp.; Chi-Fen Lee, MBA '93. In the back row, left to right, are Chin-Fon Sun, MBA '95; Meng-Kai Chen, MBA '94; Wei-ming Lu, MBA '80, R&D manager, Dow Chemical; Ta-Lun Huang, MBA '94; Mark Yang, MBA '90, assistant vice president, CitiBank.*

# Alumni Activities



Gregory Fox

## ▲ MBA Classes of '68 and '83 Make Reunion Gifts

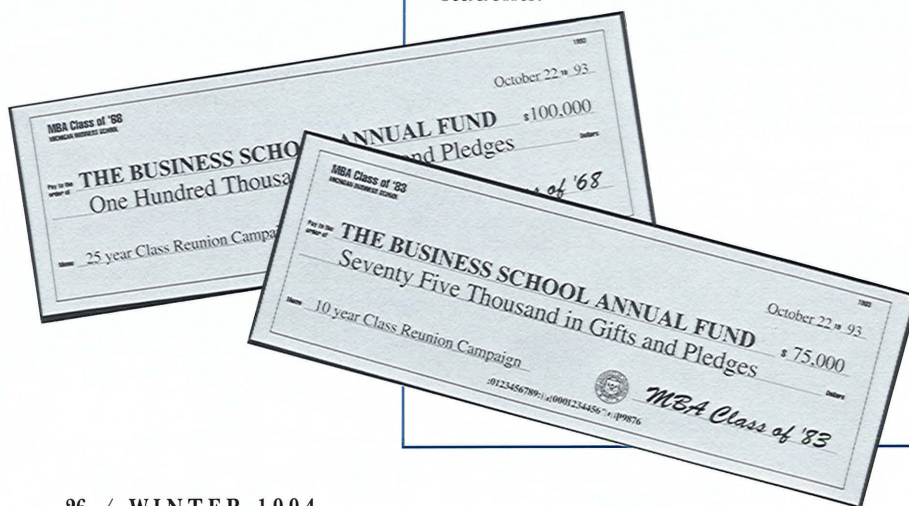
David Alger, MBA '68 (left) and Tom Terpstra, MBA '83, represented their respective classes in making the reunion gift of each class to the Business School's Annual Fund. They are pictured with Denise Harvey, director of the School's Annual Fund. Dollars that go into the Annual Fund, because they are undesignated, allow the school to seize unexpected opportunities when they arise, and in addition, help support a broad range of essential needs and innovative educational programs. Some examples of programs supported in part by Annual Fund dollars are the international exchange of faculty and students, our Domestic MBA Corps internships, and Executive Skills Workshops for MBA students.

## Want to Become Involved? Here Are Some Ideas

If you would like to become more involved with the School, but are wondering what sorts of things you might want to do, here are a few opportunities for alumni involvement:

- Get involved in Michigan Alumni Club activities in your area. Develop a Business Speakers' series for the club if one doesn't already exist.
- Host a reception for prospective students or for summer interns and recent graduates who have moved to your area.
- Get involved in reunion activities for your class.
- Encourage your company to recruit at Michigan if it doesn't currently.
- If quoted in publications, make sure to mention your Michigan degree.
- Participate in the Career Forums sponsored by the Office of Career Development.
- Get on the "Willing to Counsel" lists for prospective or current students.

For more information about any of these activities, contact Jeanne Wilt, Director of Alumni Relations at the Business School.





Gregory Fox

Some of the members of the MBA class of '68 here for their 25th reunion included (front row, left to right) Richard Jensen, David Alger, and Bob Anthony. In the back row, from left, are Lou LaChance, Jukka Tammilehto, Eric Annis, and Louis Knapp.



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Members of the 10-Year Reunion class of '83 pose in the Business School lobby. Pictured in the front row, left to right, are Mary Hubbard, Peter Gorobetz and Susan Rotella. In the back row, left to right, are Bill Saffran, Thomas Terpstra and Tom Kaufeld.



Gregory Fox

Members of the Class of '88 at Reunion Dinner are Lou Columna, Norbert Poppe and Steve Rados.

# A

# MONG OURSELVES

## Ernst & Young Announces Gift of \$500,000



Gregory Fox

*Ernst & Young representatives attending the luncheon at the Business School where the \$500,000 Ernst & Young gift was announced included (left to right) Robert Emde, BBA '60, MBA '61, partner and director of Ernst & Young fund raising activities for the University of Michigan; John Baab, BBA '66, MBA '67, managing partner of the Grand Rapids office; Mark Borowski, BBA '82, senior manager from the Detroit office; Tom Stafford, MBA '68, partner from the Cleveland office; and Ellen Glazerman, director of the Ernst & Young Foundation. Pictured right, Emde presents the Ernst & Young gift to Dean B. Joseph White.*



## Executive Ed Programs and the Wall St. Journal

Michigan's Executive Education programs were mentioned frequently in a special section on Executive Education published in the *Wall Street Journal* Sept. 10, 1993.

The Global Leadership program at Executive Education, during which senior executives go for two weeks to Brazil, China or India, where they are

required to develop a business plan in what is often an alien and challenging environment, was written up in the section under the headline "Beyond the Borders." The story quotes Noel Tichy, professor of organizational behavior and human resource management, who designed the program, as saying, "The goal isn't to become an expert on India, China or Brazil. Our goal is to go into new settings and make better sense of that place. If you've done it before, it's that much easier."

The story goes on to say "Executive-education programs like the one at the University of Michigan are increasingly sought by companies as a vehicle to expose executives to international business issues."

Ernst & Young and the Ernst & Young Foundation have announced a pledge of \$500,000 to the U-M's \$1 billion capital campaign.

The funds will be contributed to the University over a five-year period by Ernst & Young's active and retired personnel and matched by contributions from the Ernst & Young Foundation.

"In keeping with the 'Point is the People' theme of the Business School's \$100 million capital

campaign, we expect our contributions will be used to support both students, through annual scholarships, and faculty, through the establishment of faculty fellowships for non-tenured faculty in the Business School," said Robert C. Emde, BBA '60, MBA '61, partner and director of Ernst & Young fund raising activities for the University of Michigan. Emde's son, Chris, is an evening student in the MBA program.

Ernst & Young has been

a good friend of the Business School for many years. A professorship of accounting is endowed by them and is currently held by Eugene Imhoff, chairman of the accounting faculty group. The firm also helps to support the work of the Tax Policy Research Office, and regularly recruits and hires Business School students. There are a total of 203 alumni of the University of Michigan at the firm, 43 of whom are at the partner level.

## Harold Poling Receives Business Leadership Award



*Harold Poling receives the 1993 Business Leadership Award from business students (left to right) Sean Hudson, vice president of MBA Affairs; Sunder Aaron, president of student government; and Sarah Endline, vice president of BBA Affairs.*

Harold A. Poling, former chairman of the board and CEO of Ford Motor company, who played a crucial role in the company's historic turnaround of the 1980s, received the 1993-94 Business Leadership Award from the Michigan Business School October 6.

As head of Ford's North American Automotive Operations between 1980 and 1985, Poling was responsible for turning that operation's losses, which rivaled the budgets of some small countries, into some of Ford's best years ever in North America. Later, as Ford's chief operating officer — first as president and then as vice chairman — he helped direct the company to the most profitable five-year period in its history, 1985 through 1989. As a result, Ford now produces five of the top ten best-selling vehicles in the U.S. and operates nine of the ten most productive automotive plants in North America.

Poling joined Ford in 1951 as a cost analyst and held various finance positions before being elected a company vice president and president of Ford of Europe in 1975 and chairman of the European subsidiary in 1977. In 1979, he was elected a company executive vice president and a member of the Board of Directors, and in 1980, was appointed head of Ford's North American Automotive Operations. He became a member of the Office of the Chief Executive in 1984, assumed the position of president and chief operating officer in 1985, vice chairman and chief operating officer in 1987 and chairman and CEO in 1990. He stepped down in November, 1993 after 42 years with the firm.

Poling began his talk by saying, "I come to you today as a satisfied customer — 2,500 graduates of the University of Michigan are doing a great job for our company." He then went on

to describe some of the major factors that will affect the business world in the next 40 years.

Poling said true leadership is markedly different from being a good manager. "In today's environment, leading is better than managing. Vision is better than status quo. Planning is better than assuming. Example is better than direction. Enthusiasm is better than fear. Courage is better than compliance. Persuasion is better than command. And that's what leadership is all about."

Equally critical will be the leader's ability to work constructively with government. "The destiny of business and industry is being shaped in the legislative area and will be more so in the decades ahead," he said. "The nature of your relationship with Washington—and other seats of power around the world—will be a critical determinant of your competitiveness and success."

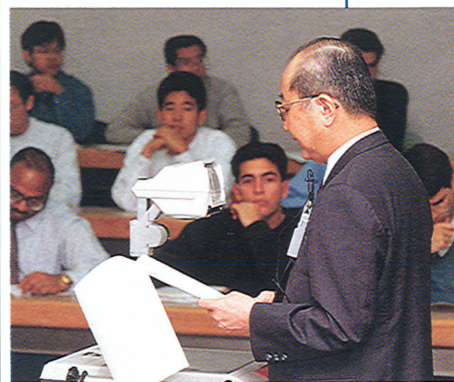
Further remarks included advice to the students as to the attributes they would need to be 21st century leaders: an intense focus on the customer, a global perspective, a commitment to a lifetime of continuous learning, a solid ethical base, and a high level of interpersonal skills in order to unleash the creativity of the multi-cultural work forces of the future. "For those of you who will welcome change and cope with challenge," said Poling, "the future is yours — truly!"

## Mitsui Life Lecturer Talks on U.S.-Japan Relations

Yuichiro Nagatomi, advisor to the Japanese Ministry of Finance Institute of Fiscal and Monetary Policy, delivered a talk on "Pacific Cooperation and U.S.-Japan Relations" as a Mitsui Life Distinguished Guest Lecturer.

Nagatomi is presently Director General of the Quick Research Institute of Japan and chairman of the steering committee of the Foundation for Advanced Information and Research. His talk addressed Japanese perceptions of the United States, U.S.-Japan economic problems, and examples of successful industrial policies and export strategies by U.S. corporations.

Nagatomi has been promoting goodwill in Asia and between Japan and the U.S. since 1980, when he accompanied the Prime Minister of Japan to propose the Pacific Basin Cooperation Concept in Australia.



*Yuichiro Nagatomi, advisor to the Japanese Ministry of Finance Institute of Fiscal and Monetary Policy, speaks on U.S.-Japan relations as a Mitsui Life Distinguished Guest Lecturer.*

## Conference Considers “Manufacturing Scenarios”

What issues are on the minds of manufacturing planners who are focused on the next five or ten years for their companies?

The question was considered thoughtfully at a conference on “Manufacturing Scenarios” held at the Business School Nov. 29 and co-sponsored by the Manufacturing Forum of the Michigan Business School, the Michigan Joint Manufacturing Initiative (MJMI), the Jackson Area Manufacturing Association, and the Michigan Manufacturing Association.

“The purpose of this conference was to confront the various ‘manufacturing futures’ faced by companies,” said John Ettlle, director of the Office of Manufacturing Management Research and associate professor of operations management.

“One key issue for the next decade that has emerged forcefully,” said Ettlle, “is 24-hour manufacturing. Most companies are not building new facilities, and are going instead to three-shift, seven day operations in order to realize the full potential of capital assets.”

The first speaker at the conference, Dennis F. Murphy, senior vice president of Coleman Consulting Group, discussed their experiences with optimizing

personnel schedules for around the clock manufacturing shift work.

The next speaker was Dr. Adish Jain, vice president of engineering for Jacobs Vehicle Equipment corporation. There are no offices at Jacobs — everyone sits at a desk in an open space and engineers sit on the plant floor and help direct operations. Each cell has complete responsibility for product — design, testing, manufacturing, shipping, fixing returns and dealing with customers. Sales per employee have more than doubled for this firm during the last five years.

Other speakers on the program included John Edwards, operations manager of the Carolina Division, Edwards Brothers Printers, who is head of a planning project to build a greenfield facility he calls “a Deming plant”; Chris Labonte of G&F Industries, whose company has adopted a radical new method of supply chain management; Dr. Joseph Martino of the University of Dayton, who is one of the world’s foremost experts on forecasting innovation; and Dan Murphy of Caterpillar Tractor which has developed a new concept to predict field failure of components and equipment in order to schedule production.

## Students Connect On-Line with M-Track

M-Track is a new information service available to Business School students. Leveraging the latest computer and communications technology, it allows students to do all of the following on-line:

- View lists of companies that recruit on campus, interview schedules, recruiting contacts, and job descriptions. The database can be searched using individualized criteria. For example, a student could search for all MBA finance positions with locations in California, New York, or Japan.
- Schedule on-campus interviews.
- View lists of job opportunities and recruiting contacts of firms that do not recruit on campus.
- Enter resume data and then print it in a professional resume format. This data can also be searched by other students as a means of personal networking.
- See the calendar of corporate presentations as well as the seminars sponsored by the Office of Career Development on resume and interview preparation.

- Search the alumni directory.
- Send electronic mail messages to fellow students, faculty, and staff.
- Review the job opportunities for experienced graduates that are published in the Alumni Career Network (a newsletter of job listings for alumni).

Students can access M-Track from the Business School Computing Lab, from other campus computer labs, or from right at home if they have their own computer with a modem. In fact, M-Track can be accessed from anywhere around the world. Michigan’s commitment to information resources has resulted in one of the most advanced interactive databases of any business school.

M-Track was originally developed by Computing Services and the Office of Career Development to computerize the interview scheduling system. Other databases and services have been added over the past two years and M-Track has grown to become the Business School’s online information services network. Staff members are now studying the possibility of making many of these services available to alumni and recruiting companies.



## Global Business Briefing Describes International Research

*Global Business Briefing*, a newsletter published by the Center for International Business Education at the Business School, disseminates information about practical international business research conducted at the University of Michigan to executives and other professionals as well as scholars, teachers and students.

The authors consider the climate for entrepreneurship; making the transition to a market economy; and industrial structure and new firm creation. They also comment on the choice of reforms that might encourage higher rates of business formation.

The Center for International Business Education is a national resource center supported by the U.S. Department of Education and based at the Michigan Business School. It is dedicated to improving the international competitiveness of American business.

The next issue of the newsletter, written by Will Mitchell, associate professor of corporate strategy, will deal with the topic of recreating and extending supplier networks after setting up foreign manufacturing facilities.

The most recent issue, written by John E. Jackson, professor of business economics and public policy, and Ph.D. student Gretchen R. Rodkey, discusses research into the creation of new and small enterprises and the best means to transform centrally planned into market driven economies. The article uses data from the state of Michigan to show that the rate of small business creation has a profound effect on employment and growth, not only in Michigan but in economies around the world.



## New Chair in Risk Management Honors Waldo Hildebrand

The Waldo O. Hildebrand Professorship in Risk Management and Insurance has been established as the result of numerous gifts and pledges that total \$1.2 million.

The late Mr. Hildebrand was known as "Mr. Insurance" in the state of Michigan. Founder of the insurance education program at the U-M, he was instrumental in persuading the Michigan legislature to adopt an agent qualification examination (one of the first of its kind in the country), published the first edition of the Michigan Insurance Reference manual, and was appointed official delegate for the United States and Canada at the 1967 Pan-American Congress of Insurance Providers in Venezuela.

William T. Dobson, MBA '48, of the Dobson-McOmber Insurance Agency in Ann Arbor, took a leadership role in the establishment of the new Chair. "There are few men in the history of



Waldo O. Hildebrand

Michigan business and government who had a greater influence on the proper conduct of the vital business of insurance than W.O. Hildebrand," said Dobson. "An endowed chair in insurance/risk management at the Business School is a fitting way to honor him. It will help to assure that more managers in every field understand the ramifications and complexities of insurance and its impact on their decisions. Nothing would have pleased Hildy more."



◀ U-M Provost Gilbert Whitaker Jr. and his wife, Ruth, are both looking pleased with the portrait of Whitaker that was painted by portrait artist DuPre Fuller of Palm Beach, Fla. Many colleagues and friends were present when the portrait was unveiled at a reception in the Whitakers' honor held in the Zenkel Faculty Commons. It now hangs in the Kresge Library along with other portraits of former Business School deans. Whitaker was Dean of the Business School from 1979 to 1990.

# Eugene B. Power, MBA '30, Dies at 88

**E**ugene B. Power, businessman, philanthropist, and prominent alumnus, died December 6th, 1993 in Ann Arbor at the age of 88.

Power was a founder of the modern microfilm industry and a principal benefactor of the University of Michigan. He was a University of Michigan regent from 1955 through 1966. "Eugene Power devoted a major portion of his life to serving the University of Michigan, as an alumnus, a regent, and a benefactor," said U-M President James J. Duderstadt. "He has left an indelible stamp of his presence here. Eugene Power's vision has added immeasurably to the life of the University. He has set an example of unselfish service to all of us."

Power established University Microfilms International, the Ann Arbor company that pioneered the commercial uses of microphotography and now has sales of more than \$100 million a year.

Through his Power Foundation, he contributed the initial \$1.4 million to build the Power Center for the Performing Arts on the U-M campus. He also launched an annual scholarship for student exchange between the U-M and Cambridge University, England. In 1992, he established the Eugene Power Award for Junior Faculty Achievement at the Business School, which allows the Business School for each of the next five years to honor a non-tenured member of the faculty for overall contribution and accomplishment. He was also chairman and principal motivator of the Ann Arbor Summer Festival, started in July, 1984.

Born in 1905 in Traverse City, Power received his BA in 1927 from the University of Michigan and his MBA in 1930. In 1929 he married the



*Eugene B. Power, MBA '30*

former Sadye L. Harwich and moved to Ann Arbor, where his son, Philip H., was born in 1938.

An interest in printing and publishing for scholarly uses led Power to join Edwards Brothers Inc. in 1930, where he rose to become vice president a few years later. He left Edwards Brothers in 1938 to found University Microfilms International and began to invent a series of products that ultimately turned microfilm into an indispensable tool of businesses and universities.

UMI made its mark by applying microfilm publishing to doctoral dissertations, the vast majority of which had not been available to libraries and researchers because of the time and expense of conventional printing. Today, nearly all dissertations written in the United States are published via microfilm. Other UMI projects involved microfilming newspaper and periodical files, manuscripts and other documents.

Power joined the Office of Strategic

Services (OSS) during World War II and helped develop microphotography into a major tool of the war effort.

After the war, he helped to develop a Xerox copier that worked directly from microfilm negatives, thereby achieving the printing method for his idea of editions of one. This association with Xerox led to the 1962 merger of University Microfilms and Xerox. He served on the Xerox board of directors until 1968 and retired in 1970.

The Power family's high level involvement with the University continued with daughter-in-law Sarah Goddard Power, who served on the Board of Regents from 1975 until her death in 1987. Her husband, suburban newspaper publisher Philip H. Power, was appointed by Gov. James Blanchard to fill out her term and then was elected to his own eight-year term in 1990.

In addition to his association with the U-M, Eugene Power also was a member of the governing boards of Carleton College, Northfield, Minn.; St. John's University, Minn.; and the Interlochen Music School in northern Michigan. He also served on the board of directors of Domino's Pizza Inc., Daedalus Enterprises Inc., and the Environmental Research Institute of Michigan.

His many honors include being made an honorary knight of the British Empire by Queen Elizabeth II in 1977, and honorary doctorates in Humane Letters from the U-M in 1971 and from St. John's University in 1966. He received the Business School's inaugural Alumni Achievement Award in 1990.

(This article was excerpted from articles in the *Ann Arbor News*.)

# Class Notes

## 38 A. L. Schlesinger, Jr. AB '37, MBA '38

is still at work full-time every day as chairman of the board of Insurance Underwriters Ltd. in Metairie, Louisiana. He does, however, "take off whenever I feel like it" and had a great time on the University of Michigan/ Dartmouth College combined alumni trip to France last spring.

## 40 George K. Barrett MBA '40

writes that he earned his Ph.D. from the Ohio State University this year and adds: "I believe that I am the oldest person (age 76) to ever earn a Ph.D. from any university in the United States, and one of the few to have a graduate degree from the University of Michigan and the Ohio State University." George, who received his MBA with a concentration in actuarial mathematics, spent nine years with General Electric as an actuary, personnel manager, and manager of employee benefit plans; 29 years with Marathon Oil as manager of employee relations, manager of computer services, vice president of international administration, manager of administrative services, and assistant to the senior vice president; and ten years as associate professor of business at the University of Findlay in Findlay, Ohio.

## 47 John M. Jasperse BBA '43, MBA '47

was elected president of Round Table International for 1993-94 at their national convention held earlier this year in Arlington, Virginia. He is retired and lives in Grand Rapids, Michigan.

## 50 John C. Conroy BBA '50

retired this summer from his position as product systems specialist for the Detroit sales branch of the Abrasive Systems Division of the 3M Company. He spent 37 years in various sales and marketing positions and writes: "I have been retained as a consultant/sales director for Backcourt Tools, Inc. in Toledo, Ohio. I still live in Toledo and will probably

continue to be involved in projects like the above as long as it is still fun".

## 58 John T. Thomas BBA '57, MBA '58

was recently made the practice leader of the consumer goods and services practice of Ward Howell International. He is also on the board of directors of this multinational executive search firm.

## 59 B. P. Sherwood III BBA '58, MBA '59

vice chairman and treasurer of Old Kent Financial Corporation, was recently at the school to talk to students at a Dean's seminar. He discussed the changing nature of the banking business and the skills required to be successful in that industry, touching on his career and role at Old Kent. He served as president of Pacesetter Bank in Grand Haven, Michigan until its 1983 merger with Old Kent Financial Corporation. He is vice chair of the Board of Butterworth Hospital, a director of the Butterworth Health Corporation, a trustee of the Grand Valley University Foundation, and a trustee of the Grand Rapids Junior College Foundation.

## 62 Michael R. Losey BBA '61, MBA '62

was inducted as a fellow of the National Academy of Human Resources this fall. He is the president and CEO of the Society for Human Resource Management and secretary general of the World Federation of Personnel Management Associations. He has been a human resource executive for more than 30 years and served in executive positions with two Fortune 50 companies before joining SHRM as president and CEO in 1990. The National Academy of Human Resources was established to advance recognition for outstanding achievement by practitioners, researchers, institutions and others involved in human resource related activities.

## 63 William E. Foreman BBA '63

writes that after graduation he spent three years as a junior staff duty officer at a Navy command center in Hawaii, and then entered the sales and marketing field where he worked in petroleum, wines, and tobacco and candy areas. He went on medical disability in 1986 and now spends his time working on building a gourmet food business while doing volunteer work for the Manic Depressive and Depressive Association of Metro Detroit. He is a founding member and first president of the Michigan Fly Fishing Club in Livonia, coordinated the National Depression Screening Day activities in 1992 and 1993, and was elected President of the Manic Depressive and Depressive Association of Metro Detroit for 1993-94.

## 66 Darryl F. Allen MBA '66

was elected chairman of the board of TRINOVA in 1991, and has now been elected to the board of directors of Cincinnati Milacron Inc. He first joined Aeroquip, a TRINOVA subsidiary, in 1972 as controller, then held posts of vice president of finance and administration, and group vice president for TRINOVA with responsibility for the power and motion control operations of its Aeroquip and Vickers subsidiaries. He is a member of the Ohio Health Care Board, chairman of the board of trustees of Toledo Hospital, and a trustee of the Toledo Museum of Art as well as serving on the Manufacturers' Alliance for Productivity and Innovation and the executive committee of the Ohio Business Roundtable.

## 67 Randolph H. Fields MBA '67

is the partner in charge of corporate matters in the Orlando office of Broad and Cassel, a 90-person firm of attorneys. He says he regularly employs his MBA skills in representing businesses in start-ups, financings, and acquisitions. He has business interests

in real estate, financial institutions and automobile dealerships.

## 69 25th YEAR REUNION CLASS October 29 and 30

### 70 John M. Nannes BBA '70

has been elected a trustee of the Supreme Court Historical Society. He is a partner in the law firm of Skadden, Arps, Slate, Meagher & Flom in Washington, D. C.

### 71 Joseph D. Jaap MBA '71

writes that he retired from the US Navy in 1982 as a Captain. He started a gourmet food manufacturing business which was very successful and sold it in 1986. He then began a third career in education and is now the director of a two-year hotel management college called Swiss Hospitality Institute in Washington, Connecticut.

### Richard H. Valade BBA '71

was recently named partner-in-charge of Arthur Andersen's worldwide restaurant industry practice. In addition to the responsibilities of this newly created position, he will remain partner-in-charge of the Michigan consumer products practice which includes the retail, wholesale distribution and restaurant industries. He was formerly firmwide director of competence for the consumer products practice and has extensive experience in the field, serving as engagement partner for a wide range of public and private companies. He has also performed numerous financial and operational consulting engagements, such as strategic planning, budgeting, product line and customer profitability review, and store productivity. He is a former officer and director of the Greater Detroit Retail and Financial Executives Group, a current member of the National Retail Foundation and the National Restaurant Association, and a finance committee member of the University of Detroit High School.

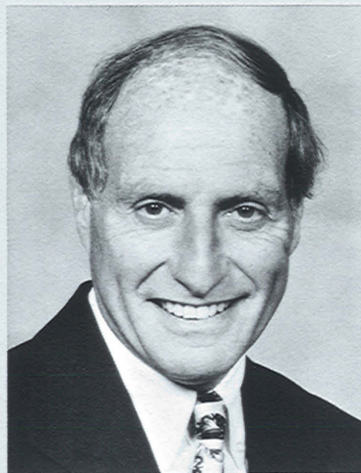
## Richard M. Ravin, MBA '66

### Elected Chairman and CEO of Combined Insurance Company of America

Richard Ravin, MBA '66, has been elected chairman and CEO of Combined Insurance Company of America (CICA), a major subsidiary of Aon Corporation. CICA is a leading international writer of non-cancelable and guaranteed renewable accident and health insurance, and also writes a variety of life insurance products. In addition to his new duties, Ravin will maintain his title as president and continue to be responsible for worldwide operations including North America, Europe and the Pacific.

Ravin began his career at CICA in 1972 as a personal financial assistant to the president. He quickly established himself and was subsequently elected vice president in 1976. He entered the accident and health sales organization in 1977 as a salesperson and rose from sales representative to divisional manager within an unprecedented three-year period, earning numerous CICA sales and management awards. In 1984, he was promoted to senior vice president and national sales manager for Combined Insurance-Eastern USA. In 1988, he was named senior vice president of sales - North America, and in 1991 was promoted to president and chief operating officer.

Aon's chairman commented "In Richard Ravin's twenty-two years with Combined Insurance, he has demonstrated an exceptional ability to expand revenue, control expenses and increase profitability. In addition, Richard has enlarged our policy-



holder base to approximately five million holders worldwide through skillful development, motivation and strong leadership of our capable sales force, now totaling 8,000 career agents. Written premiums at Combined Insurance will exceed a record \$900 million in 1993." Founded in 1919, Combined Insurance has had only two chairmen before Ravin's election.

Ravin, who lives in Chicago with his wife and three children, is a member of the board of directors of the Better Business Bureau of Chicago and Northern Illinois, as well as on the board of the National Council of Better Business Bureaus. He is a member of the School of Business Advisory Council at Miami University and Roosevelt University (Chicago).

### 72 Charles H. Fridley MBA '72

has been appointed general manager of the decorative films division of Avery Dennison. This division, located in Schererville, Indiana, manufactures coated films and laminates for the architectural, furniture, packaging, and automotive industries. Charlie, his wife Terri, and two children, have relocated to Valparaiso, Indiana, from the Detroit area where he was previously director of sales and marketing for Avery's automotive division.

### Rear Admiral Jack Kavanaugh MBA '72

received his second star in October. As Commander of the Navy Exchange Service Command (NEXCOM), he oversees a \$2.1 billion non-appropriated fund corporation that provides key quality-of-life services to Navy personnel. The Navy Exchange System has 23,000 employees located on 138 Navy bases worldwide. He and his family live in Norfolk, Virginia.

### 76 Tony Skowronski BBA '76

writes that he is now a labor relations consultant for the Michigan Association

of School Boards, providing labor relations services for member boards of the Association. Previously, he worked for 16 years in the labor relations department of the city of Flint, Michigan.

**78 David Manigold**  
**MBA '78**

has been admitted as a principal of Deloitte & Touche in Dallas, Texas, where he is a regional director in trade retail and distribution consulting. He has 15 years experience in business consulting and management information systems primarily in the retail, direct mail and distribution industries.

**Sam Steinhouse**  
**BBA '78**

has purchased a manufacturing company, B. P. Products. Marketed under the name "Paulin," the company's products include propane fueled heaters and lanterns for the sporting goods and hardware markets and numerous propane related accessories. Sam had spent six and a half years as a product, sales and automation project manager for a large property/casualty insurance company before purchasing B. P. Products.

**Susan Van Vleck**  
**BBA '78**

has joined Time Systems Inc. in Phoenix, Arizona as senior manager of customer sales and service. She manages the customer order department, customer service, sales support, the retail stores and catalog design. Time Systems is a training company for organizational skills and success management. Sue had been with AT&T for 15 years before her move to Time Systems. She has been in Arizona for nine years and currently lives in Scottsdale.

**Robert Welo**  
**MBA '78**

retired from the Army this summer and is now the program director for the Florida Institute of Technology at White Sands, New Mexico, which offers MS and MBA degrees in human resource management, engineering management, acquisition management, and operations research. Bob and his family have settled in Las Cruces, New Mexico.

**79 Jeffrey M. Loop**  
**MBA '79**

has been appointed vice president of finance and chief financial officer for the Flexible Corporation, a wholly owned subsidiary of General Automotive Corporation. In his new position, he is responsible for all aspects of Flexible's financial accounting and treasury functions. He assumes his new responsibilities after successfully completing various executive assignments with General Automotive Corporation and Atlas Automotive (another GAC subsidiary). Before joining GAC in 1986, he held several senior level financial and treasury positions with American Motors Corporation. General Automotive Corporation, headquartered in Ann Arbor, Michigan, specializes in the manufacturing and marketing of transit buses and light-duty truck components and accessories. Privately held, the company employs over 1,200 people and is the largest transit bus manufacturer in the United States.

**Robert Zarzar**  
**MBA '79**

recently transferred from Chicago to Washington, D. C. to head up Price Waterhouse's federal tax services division where he is responsible for a variety of taxpayer initiatives and cases before the national office of the Internal Revenue Service.

**80 Bryan Delfs**  
**MBA '80**

has been promoted from product manager to director of Sears marketing for the Chamberlain Group, Inc., a Duchossois enterprise which manufactures and markets residential and commercial garage door openers. The parent company is a privately held firm with interests in transportation equipment, defense technology, consumer products and broadcasting. Bryan has been with Chamberlain for eight years.

**Zachary Hummel**  
**BBA '80**

has been elected to partnership at Bryan Cave law firm in St. Louis, Missouri. A member of the employment and labor relations law department, he has been an adjunct professor at the Washington University School of Law and a lecturer in law at the Washington University School of Medicine.

**81 Robert Mahoney**  
**MBA '81**

has lived in the Silicon Valley the past seven years. The first five years after graduation were spent in Texas where Bob was with Texas Instruments and his wife Wendi (B. S. '81 in education) was in sales. Currently, Bob is part of the new management team installed at National

**Robert F. Mull, MBA '73**

**Chosen as Ford's "Super Car" Team Leader**

Robert Mull, MBA '73, has been chosen to lead Ford Motor Company's efforts in the "Partnership for a New Generation of Vehicles," which was announced by President Clinton, Vice President Gore and the chairmen of Ford, Chrysler and General Motors in September.

As director of new generation vehicle programs, Mull will create and manage the framework for Ford's participation in the government/industry research initiative. He also will work with the company's research scientists and engineers to develop and coordinate programs attempting to reach the partnership's ambitious goals — including the possible development of a revolutionary early 21st century "super car" aimed at tripling the fuel economy of a typical family-sized car without sacrificing affordability, performance or safety.

The new technology program also will link the resources of national research laboratories with those of domestic automakers to attempt to develop new manufacturing processes that will help bring innovations to market more quickly and cost-effectively and bring near-term environmental and safety improvements to vehicles as well.

Mull has been manager of worldwide technical planning and strategy for Ford's Technical Affairs Staff since 1992 and has been involved in numerous domestic and worldwide car and truck product programs throughout his career. He spent seven years working in Asia, including Japan, where he was director of product development for Ford's Asia-Pacific region. He lives in Ann Arbor with his wife and three children.

Semiconductor to turn the company around and find a successful segment within the intensely competitive semiconductor industry. Wendi, who earned a master's degree at the University of San Francisco, currently volunteers as a family and marriage counselor for battered women. They have three sons Alex (7), Nathaniel (5), and Stu (1).

**Yon Woo Sung**  
**MBA '81**

is now president of SK America, a subsidiary of a major international lighting products manufacturer. SK manufactures and markets energy saving lighting products such as compact fluorescent lamps and electronic ballasts. For the past 12 years, he has been an international banker, most recently managing the Asia Pacific region for First Interstate Bank.

**82 David J. Plewa**  
**BBA '82**

started a solo legal practice in Sunnyvale, California in October, providing services related to corporate and individual taxes, estate planning and corporate law. He says: "Being my own boss allows me to spend more time with my wife Donna and my two-year old son Luke."

**83 David Pett**  
**MBA '83**

vice-president of Fidelity Investments, recently began a new assignment working on the international side of the Fidelity Brokerage Group. He and his wife Susan are expecting their first child in May, and live in Hingham, Massachusetts.

**Mark Van Sumeren**  
**MBA '83**

was recently promoted to partner in the Milwaukee office of Ernst & Young, where he is a member of the health care consulting practice. He primarily focuses on performance improvement in health care. He joined the firm in 1983.

**84 10th YEAR REUNION**  
**October 29 and 30**

**Anna and David Lee**  
**both MBA '84**

have moved from Chicago to San Francisco. David is working at Levi Strauss

**Gordon M. Tucker, BBA '76**

**Appointed CEO and President of Micrografx**

Gordon Tucker, BBA '76, was named CEO and president of Micrografx, a leading developer of graphics application software products for Windows worldwide. The Company's award-winning products include Micrografx Designer, Picture Publisher, and ABC FlowCharter.

Tucker most recently served as vice president, worldwide strategic development, at PepsiCo's KFC subsidiary. He joined PepsiCo in 1991 as vice president and general manager of KFC's operations where he assisted in leading the subsidiary's restructuring effort to streamline its work processes. After his promotion to vice president of worldwide strategic development, he led KFC's initial development of the chain's new rotisserie chicken line.

Before joining PepsiCo, Tucker was senior vice president at Converse, Inc. where he managed the company's worldwide marketing of athletic footwear and apparel. A corporate repositioning and restructuring effort headed by Tucker enabled the company to regain profitability and revenue and market share growth.

Tucker was responsible, with former Michigan Governor James Blanchard, for



donating \$2 million worth of electronic equipment to the state to support its efforts in recovering stolen vehicles. In 1990, Tucker was executive vice president of LoJack Corporation, a high-tech developer and manufacturer of electronic communication systems that allow police agencies to rapidly locate stolen vehicles.

& Co. as an advertising manager in the men's jeans marketing department. Anna, after spending eight years at BBDO Chicago, is raising their one-year-old daughter Dana full time.

**Amy Solomon**  
**BBA '84**

was recently promoted to vice president, merchandise planning and allocation for Express, a division of The Limited, Inc. based in Columbus, Ohio. After graduating, Amy successfully completed the buyer training program with the May Company in Cleveland where she was employed for three years before moving to Columbus. She has been with Express since 1987.

**85 Bradley Wasserman**  
**BBA '85**

has become a shareholder of Woronoff, Hyman, Levenson & Sweet, P.C. an accounting firm in Southfield, Michigan. Brad's experience includes five years with Price Waterhouse in their audit and tax departments. The firm provides accounting, tax and financial planning services to small and medium sized businesses and individuals.

**86 Steven Goldberg**  
**BBA, MAcc '86**

recently went to work for Stifel, Nicolaus & Company, a midwestern brokerage firm headquartered in St. Louis, Missouri, as an investment executive. He spent the previous seven and a half years since graduation in public accounting,

primarily management consulting (financial analysis, business valuations, cash flow analysis and litigation support) with the St. Louis CPA firm of Rubin, Brown, Gornstein & Company.

**Byoung Ho Kim**  
**MBA '86**

is now an assistant professor in the department of accounting at Kook-Min University in Seoul, Korea, joining three other Michigan Business School graduates at Kook-Min. He earned his Ph.D from the Kellogg Graduate School of Management at Northwestern University in 1991. He looks forward to hearing from his classmates.

**Scott Weiss**  
**MBA '86**

relocated to Australia last November where he assumed the managing director position for Bristol-Myers Squibb Consumer Products in Australia, New Zealand and Pacific Islands. He reports: "The work is fascinating, especially learning about the different cultures throughout the region. My wife, Charla, and our children, Justin and Briana, are enjoying Australia very much. If only they had heat for those cold August mornings!"

**87 Ruby Chan**  
**BBA '87**

has been named manager of credit operations for the Manhattan Card Co. Limited, a subsidiary of the Chase Manhattan Bank. She lives in Hong Kong.

**88 John Ivanko**  
**BBA '88**

who describes himself as an author, photographer and entrepreneur, writes: "Take a perfectly good advertising job and leave it. Travel the world for a year, spend time with families, not in hotels. Take 15,000 photographs and commit to producing a book, a travelogue for changing our present state of 'global crisis' for the sake of future generations. Join the professor (Dr. Matson) who taught Failure 101 in the Business School, to help today's students realize they might not only change jobs three times, but also career paths. I will start January 1, 1994 at Penn State University to complete the manuscript. Remaining challenge: finding a publisher."

**Herizo Razafimahaleo**  
**MBA '80**

**Appointed Minister of Industry and Tourism**

A telex has been received in the *Dividend* office, announcing the appointment of Herizo Razafimahaleo, MBA '80, as minister of industry and tourism in the new government of the Republic of Madagascar. Razafimahaleo has been managing director of the Stedic Group, founded in 1986, which is comprised of several commissions engaged in automotive sales, safety matches manufacturing, salt production, and printing. It employs approximately 1,000 people.

Herizo and his wife greatly enjoyed their visit back to campus in October 1990 to attend the Class of 1980's 10-year reunion celebration, where they were cited for traveling the farthest distance to attend.

**Kimberly Monstvil**  
**BBA '88**

has been named an associate of the Society of Actuaries. She is a consultant with Aetna Life and Casualty in Hartford, Connecticut and is a member of the Alpha Kappa Psi business fraternity. She earned the ASA designation by successfully completing a series of examinations administered by the Society to test candidates on the mathematics and statistics underlying actuarial science and their applications to technical actuarial problems. Actuaries design and evaluate financial programs by using statistical and economic techniques to analyze risk and probabilities and to evaluate the implications of future events. The Society of Actuaries is an international educational, research and professional membership organization for actuaries in the life and health insurance, employee benefits and pension fields.

**John A. Markus**  
**MBA '88**

was designated a Certified Insurance Counselor by the Society of Certified Insurance Counselors, a national non-profit organization dedicated to professional insurance education. Currently, close to 15,000 agents and insurance professionals throughout the

country have received the CIC designation by demonstrating their professional competence through a combination of experience, formal training, and a series of comprehensive written examinations focusing on all major fields of insurance, insurance management and agency operation. John has been with the Markus Industry Agency, a family business in Macomb, Michigan, for the past five years.

**Philippe Prufe**  
**MBA '88**

was promoted in June 1993 from marketing manager, Lilly Brazil, to marketing manager, CNS Global Planning at the corporate center in Indianapolis, where he is now responsible for global marketing of Prozac and other central nervous system drugs. He reports: "My two key tasks are to provide marketing support to 63 Lilly affiliates that sell Prozac worldwide, and to develop and pursue long term strategies such as new indications, line extensions, etc. My wife Alexandra, and two kids Thomas (4) and Nicholas (2) are enjoying Indiana."

**89 5th YEAR REUNION**  
**October 29 and 30**

**Steve Bolze**  
**MBA '89**

recently joined General Electric as manager, corporate business development. Based out of GE headquarters, his role is to work with the various GE businesses to improve operations and new product development. His second son, Brian, was born in July and the whole family now lives in Southport, Connecticut.

**90 Perry Borman**  
**MBA '90**

writes from Delray Beach, Florida "In the continuing journey and discovery of what I want to do when I grow up, I arrived at Office Depot in March 1993. Office Depot Inc. is the fastest growing retailer in retailing history and is currently the largest and most successful office products retailer in the industry. Recently promoted to manager of organizational development and training, I get to worry about the design, delivery, and execution of management development for the company. It's exciting working for an incredibly

successful, rapidly expanding seven-year-old company where the CEO plays guitar in a rock band. Being ten minutes from the beach also has its advantages. Hello section six!"

**Belyne L. Poore**  
MBA '90

has been named market manager - precision equipment for the general industrial team of Timken Company's North and South America bearing business. The new position was created as part of a restructuring of the sales and marketing organization to place a stronger emphasis on longer term customer needs and corporate objectives through creation of multi-skilled, cross-functional teams focused on a single industry segment. Belyne began her career with Timken in 1990 as a purchasing analyst in Canton. She also held the positions of buyer and most recently, senior contract analyst. The Timken Company is a leading international manufacturer of highly engineered bearings and alloy steels. The company employs some 16,000 people worldwide and reported 1992 sales of over \$1.6 billion.

**Cara Zanoft**  
BBA '90

has been awarded one of ten Beta Gamma Sigma scholarships awarded annually for use in pursuing senior year or master's level study in business administration. She is currently a student in the MBA degree program at Stanford University. As an undergraduate, she was named a James B. Angell Scholar and selected to represent the Business School at the McIntire Case Competition in 1990. While a student here, she started her own business, Zanol Creations, where she designed, manufactured and sold hand-crafted photo albums.

**91 Kathy Kriese**  
MBA '91

has been named credit union marketing manager for Clarke American, the number one share draft printing company in the country. In this new position, Kathy will be responsible for the development and execution of Clarke American marketing strategies and plans for credit unions. As the dedicated credit union marketing resource, she will work closely with many Clarke American departments

to insure a cross-functional approach to this important market segment. Kathy was previously employed as director of marketing for Juice Bowl Products, Inc. at their corporate headquarters in Lakeland, FL.

**93 Alex Espalin**  
MBA '93

has been named a John F. Kennedy fellow at Harvard University, where he is currently completing a dual degree program in business and government at the John F. Kennedy School of Government.

**Charles O'Neill**  
MBA '93

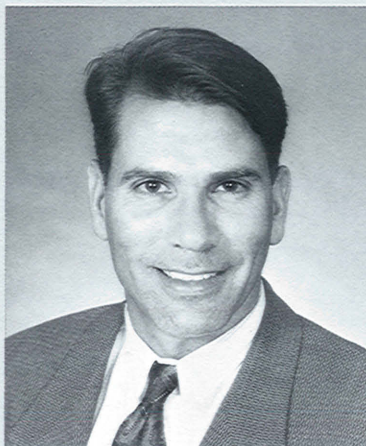
has joined Seyferth & Associates as an account executive in the firm's financial and media relations division. Previously, he was managing editor of the *Harbor Light Newspaper* in Harbor Springs, Michigan for three years. In that capacity, he oversaw all editorial and business management functions of the weekly newspaper. "Charles brings a unique combination of business and media experience to our clients and our firm," says Brian Edwards, manager of financial and media relations at S&A. "As our financial relations division continues to add publicly held clients, Charles' experience and knowledge of the financial markets gives us even greater depth." Seyferth & Associates, located in Grand Rapids, is the largest independent public relations agency in Michigan.

**Scott Stieler**  
MBA '93

recently moved to Summit, New Jersey to begin a six month assignment with Dun and Bradstreet Information Services in Murray Hill, New Jersey. Scott recently completed a six-month assignment for A. C. Nielsen (another Dun & Bradstreet division) in Frankfurt, Germany. Before that and immediately following graduation, he spent six months with Dun & Bradstreet's Sales Technologies subsidiary in Atlanta, Georgia.

**Paul Donald Smith, BBA '80, MBA '84**

**Promoted to Senior Vice President of TriStar Pictures**



Paul Smith, BBA '80, MBA '84 has been promoted to senior vice president of operations and business affairs for TriStar Pictures, reporting directly to the vice chairman of the studio. Smith has been with TriStar since 1985, coordinating the financial

activities of TriStar's many departments and participating significantly in the acquisition of numerous film projects for the studio. After receiving his MBA, he began his career as a financial analyst with Columbia Pictures International Distribution, then joined Columbia Pictures Entertainment, where he was manager of participation accounting and then director of planning and analysis.

Smith played an integral part in negotiations for the hit film *Cliffhanger* and is also heavily involved in TriStar's domestic and foreign distribution agreements with Carolco Pictures and other companies releasing pictures through TriStar. As one of TriStar's chief deal makers, Smith works closely with the studio executive vice president of business affairs on talent deals, while teaming with the vice chairman on off-balance sheet financing and acquisitions. In addition, he is responsible for the day-to-day administration of TriStar Pictures.

**Ph.D. Notes**

**Kenneth G. Hardy**  
MBA '66, Ph.D. '69

has been named the R. A. Barford Professor of Marketing Communications at the University of Western Ontario Business School in London, Ontario, Canada. (R.A. Barford was a pioneer in Canadian adver-



tising.) He writes: "In July of '93 I became Associate Dean, Research and Director of the National Centre for Management Research and Development, taking over from Professor Jim Hatch, Ph.D. '72 from U of M. Jim is taking an eight month leave to initiate a new course in finance for entrepreneurship. In my new position, my main task is to foster the development and implementation of *managerially relevant* research, especially among early career faculty. I'm also responsible for casewriting and dissemination of cases, the doctoral program, and the *Business Quarterly*, Canada's management magazine."

### Earl Bloom, Evening MBA Student,

### Attends 23rd International Management Symposium in Switzerland

Earl Bloom, evening MBA student, and an account manager at ALPS Automotive, qualified for participation in the 23rd International Management Symposium at the University of St. Gallen in Switzerland. McKinsey & Company, Inc. and the International Students' Committee sponsor the symposium. Students qualify to attend by submitting essays to a panel of professors, corporate executives, and journalists. The authors of the best 250 papers are granted free participation in the Symposium.

The theme of the 1993 Symposium was "Mobilizing Corporate Energies." Earl's essay, judged one of the 250 best essays submitted, was titled "A Lesson in Managed Interdependence within a Global Japanese Corporation," and discussed how his company, Alps Electric (USA), Inc. paved its way within the United States and the lessons that one can learn from people of various cultures and organizational levels coming together to satisfy the needs of their customers.

The symposium provides a three-day forum in which top leaders from the worlds of business and finance, politics and science, along with 250 university students, exchange their knowledge and experience on topical and fundamental issues. Lynn Perry, doctoral student in corporate strategy at the Business School, was the second place winner of the essay contest last year. Her paper was entitled "Mobilizing Energies in Corporate America Through the Management of Diversity."

## Calendar

**March 3**  
Kansas City Alumni Reception

**March 10-11**  
Spring Meeting of the Alumni Society  
Board of Governors

**March 17**  
U-M Club of Cleveland  
Speaker: Doug McGregor, BBA '65  
President and COO, M.A. Hanna  
Company

**April 8**  
Second Annual Women's Forum  
Topic: Leadership Choices  
The Annual Scholarship Dinner

**April 22**  
Spring Meeting of the National  
Campaign Committee

**April 23**  
U-M Club of Cleveland  
Speaker: Gary Baughman, MBA '73  
President, Little Tykes Co., a subsidiary  
of Rubbermaid

**April 26**  
New York City Alumni Reception  
Speaker: Dean B. Joseph White

**May 18**  
Spring meeting of the Corporate  
Advisory Board

**May 20-21**  
Meeting of the European Michigan  
Alumni Club in Copenhagen, Denmark  
Speakers: Professors C.K. Prahalad, Kim  
Cameron and Claes Fornell

**June 10**  
Emeritus Lunch

## Deaths



### Dorothy Greenwald Associate Professor Emeritus of Written Communication

who taught at the Business School from 1942 until 1970, died August 25 in Ann Arbor at the age of 90.

In their memoir written at her retirement, the Regents of the University wrote that Greenwald not only established but "for many years virtually comprised the instructional program in written communications in the School of Business Administration." Although her classes were electives, she attracted sizable enrollments of both graduate and undergraduate students to whom she gave close individual supervision. She also served as pre-business advisor to freshmen and sophomores in the Literary College and as a member of the Board of Governors of Residence Halls.

She was born in Whiting, Indiana in 1903 and received her bachelor's and master's degrees from the University of Michigan. She taught at the University of Kansas and Antioch College before returning to Ann Arbor in 1933, where she enrolled in a writing program and won a major Hopwood prize. She helped compile the Dictionary of American Biography and was a staff member of the Harvard University Press before joining the Business School faculty.

She was a life member of Phi Beta Kappa, and belonged to the Modern Language Association, the American Business Writing Association, the Women of the University Faculty and the Women's Research Club.

### Olin W. Blackett Professor Emeritus of Business Statistics

who taught at the Business School from its founding in 1924 until 1965, died September 7 in Tacoma, Washington at the age of 98.

He was born in Winthrop, Massachusetts in 1895 and educated at Wesleyan University and the United States Naval Academy. He earned a doctorate degree in economics from Harvard University where he taught before coming to Michigan. He served in the U. S. Navy during World War I.

He is survived by his son, several grandchildren and a great-grandson as well as many friends.

public and private sectors have learned new perspectives on technology management; and over 50 students from Michigan and elsewhere have studied Japanese language and culture connected with technology, with quite a few engaged in research or working as interns in Japanese companies. In addition, seven Ph.D. students in business and engineering and one student in anthropology are writing doctoral dissertations on various aspects of technology management in Japan as a result of participating in the program.

Among other initiatives, the JTMP program is now working to develop certificate programs combining graduate education in engineering with Japanese studies, in addition to an existing joint MA/MBA degree program in Japanese studies and business. Students are encouraged to undertake language and area studies through fellowships for intensive summer language and regular

academic year courses. In the first two years JTMP developed a course in advanced technical Japanese aimed at teaching engineers and scientists to read and communicate about technical subjects. So that this course will have broader benefit, a technical "reader" will be developed over the next two years as well as a computer instruction program.

With this new funding the goal is to solidify the role of Japan Technology Management within the University of Michigan. Over the next two years the directors plan to collaborate with the new Michigan Joint Manufacturing Initiative (MJMI), a joint venture between the Michigan Business School and the College of Engineering. MJMI is raising substantial private-sector funding to improve education in manufacturing, service the needs of the state, regional and national economies, and develop a body of knowledge for manufacturers of the future.

is necessary to tailor products to meet specific needs. Had P&G thoroughly understood Japanese laundry habits, the introduction of Cheer might have been successful.

Second, it is important to tailor products specifically to the Japanese market. For example, in Japan consumers wanted a thinner diaper, since Japanese mothers change their babies' diapers more often than American and European mothers, and also have less space for storage in their smaller homes.

Third, sensitivity to cultural differences is fundamental. "It's easy to make mistakes in Japan," said Artzt.

Fourth, it's important to effectively penetrate the Japanese multi-tiered distribution system, which Artzt described as a "layer cake" comprised of 200,000 primary, secondary, and tertiary wholesalers, as well as a large number of indirect sellers. To distribute its products, P&G uses 17,000 wholesalers, with whom the company has worked to develop strong long-term relationships.

Fifth, concentrate on the image of your company as a whole, not just on the brands the company sells. P&G works hard to foster an image of quality and caring, and to assure the Japanese that the company is there for the long term. As a result of its efforts, P&G was the only non-Japanese company to be ranked one of the top ten commercial and technical employers in Japan.

Artzt's presentation, which took place before a large audience in Hale auditorium, was greeted with much enthusiasm and sustained applause at the end of his talk, which had been so interestingly presented with multi-media examples. He met with students and answered questions at an informal reception following his address.

## 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 like to take the time to fill out the form below and send it to Pringle Smith, Editor, *Dividend Magazine*, School of Business Administration, University of Michigan, Ann Arbor, Michigan 48109-1234, we would very much appreciate it.

Name: \_\_\_\_\_

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

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

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

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

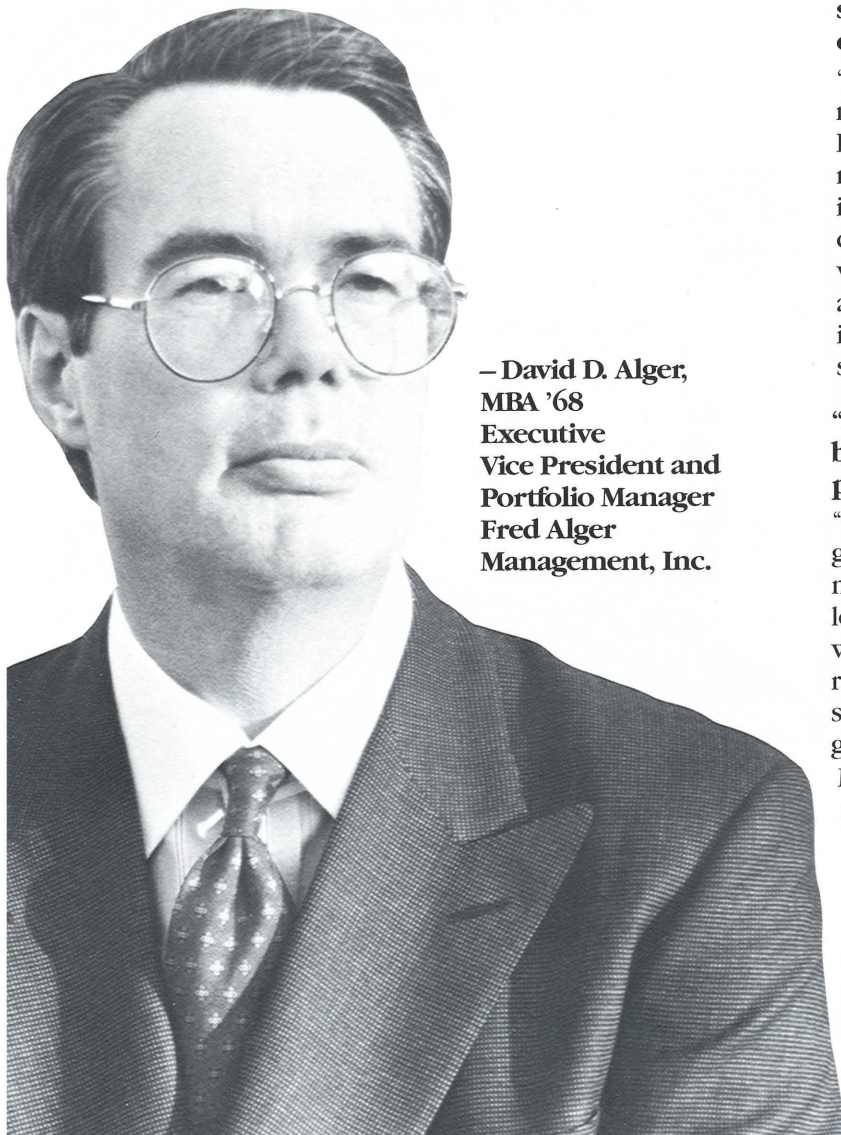
Please write below some personal or business news about yourself that we can share with other alumni.

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# “Class gifts are a new tradition and a very good one. They provide an occasion for giving something back to the School that contributed so much to our success.”

“Even now I’m amazed at how the Michigan Business School could take me as a liberal arts graduate and hammer me into a business professional in just two years.

“I was majoring in American History at Harvard when I decided to reorient myself to business school. Although my undergraduate studies were good training for the mind, they were very non-specific. I arrived at Michigan almost completely ignorant of math, finance, statistics, and all the other business skills that really matter. Nonetheless, within two years, Michigan managed to shape me into someone who was prepared for the real world and the rigors of a competitive job market.



– David D. Alger,  
MBA '68  
Executive  
Vice President and  
Portfolio Manager  
Fred Alger  
Management, Inc.

“In a sense, I feel that I was given my MBA by the citizens of the state of Michigan.



“Being at the University of Michigan was wonderful. Not only did I receive an excellent education, but the experience also gave me the opportunity to strengthen my ties to my home state and my home town. I’m also very grateful to the people of Michigan for subsidizing my education. The cost of my MBA was microscopic compared to what tuition rates are these days.

“The fact that Michigan is a state university shouldn’t confuse anyone as to the need for outside support.

“We can all take great pride in how the Michigan Business School has developed in the last 25 years. When I was a student, the School was small and largely unrecognized on the East Coast. Today, it’s twice the size it was and one of the top five business schools in the country. As an alumnus, I’m very proud of that, and I want to see the School continue to progress, expand, and be the great center for business education that it is. But I know that growth can occur only with the support of people like me.

“For all these reasons, I’ve been looking for ways to become more involved with the School. I was very pleased to make a class gift at my 25th reunion.

“Class gifts are a relatively new giving option and one I find very meaningful on a personal level. I look at it this way: if the education we received at Michigan has been responsible for even part of our success, then it’s important that we give something back to the School.



Michigan served me extremely well. Making a class gift is my way of acknowledging that.”

For more information about giving options and opportunities – including class gifts – we invite you to contact Denise Harvey at (313) 763-5775.

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## Davidson Institute's Partnership Program Involves Students, Managers and Faculty

**P**ictured in the lounge of the Business School's Executive Education Building are managers from businesses in transitional economies who are Enterprise Partners of the Davidson Institute. They are

shown with U-M students who are working as interns in their companies, executives from companies who are Western partners, and Business School faculty members. For more on this program, see page 19.



▲ Left to right, Chongqing Automotive Engine Plant Manager Wang Zuo Rui talks with Western partner representative Don Breiter, director of Asia business development of Cummins Engine Company; Mike Little, Davidson intern who is studying toward both the MBA and the MA in Asian Studies at the Center for Chinese studies (and who is fluent in both written and spoken Mandarin Chinese); Paul Sweeney, assistant professor of operations management at the Business School, who was the faculty member on the team; and Chai Jing Dong, vice plant manager of Chongqing.

▼ Members of the team who worked with Ahlstrom Fakop, Ltd., an industrial boiler manufacturer in Poland, are, left to right, Davidson Director Edward Snyder; James Murphy, vice president for administration of Ahlstrom Pyropower, Inc, the Western partner of Ahlstrom Fakop; Lauri Tanskanen, president of operations of Ahlstrom Fakop, and Davidson intern Magdalena Szaflarski, who has her MA from the U-M Russian and East European Studies program and speaks Russian, Polish and German.

