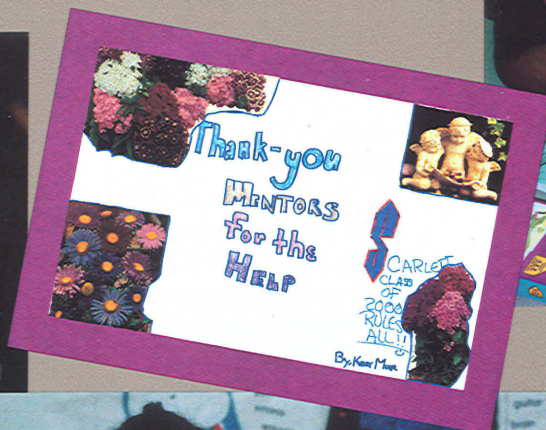
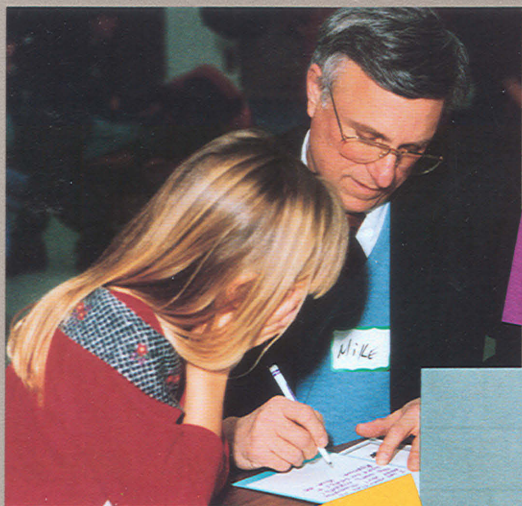
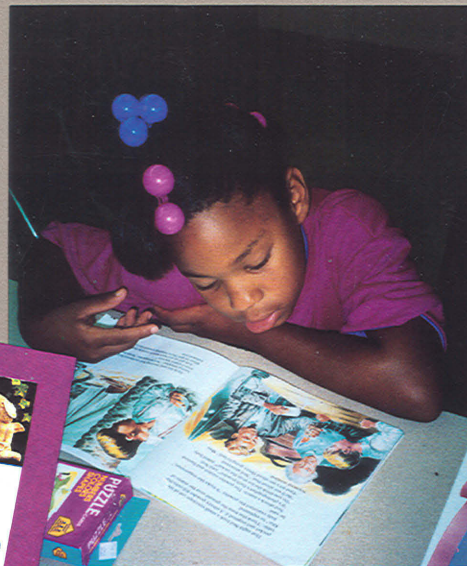


Dividend

The University of Michigan Business School

Winter 1995



♥ THANK YOU M. B. A. MENTORS ♥

Business Week's Report Card Gives Good Grades to the Business School



Although the University of Michigan Business School slipped from #5 to #6 in *Business Week's* biennial rankings of the best business schools, it also received a great deal of complimentary coverage throughout the article for its breadth of scope and innovation.

For example, the magazine listed the schools that recruiters say are "coming on strong." Michigan was ranked first in schools most frequently added to recruiting programs, second for the most innovative curriculum, and first in programs showing the greatest improvement.

It's not always possible to assess a school's immediate progress by a one-time change in its rank, wrote *Business Week*, adding, "The University of Michigan, for example, slipped one spot this year, to sixth, only because Stanford jumped ahead by capturing the highest accolades

from its graduates. However, corporate recruiters said Michigan's MBAs have shown the greatest improvement of any in recent years and also singled out the school for having launched what they regard as the second-most-innovative curriculum—behind only Wharton's. Michigan was also the only school to make the top five in turning out the best graduates in every key category: general management, marketing, finance, and production." (See table at right.)

The top six business schools, according to *Business Week's* rankings, were: Wharton, Northwestern, Chicago, Stanford, Harvard, and Michigan.

In a separate article, *Business Week* cited C.K. Prahalad as one of its "masters of the classroom" — professors singled out by MBAs as the best teachers in the world of business. "These top teachers are a varied lot," wrote *Business Week*. "Some boast stellar reputations that extend far beyond the classroom, including Michigan's C.K. Prahalad, whose co-authored essay on core competencies is the *Harvard Business Review's* most reprinted article." Prahalad is the Harvey C. Fruehauf Professor of Business Administration and professor of corporate strategy and international business.

"No one is more competitive for Michigan than I am," commented Dean B. Joseph White after the rankings were published, "and the only directional movement I like in rankings is up. But approximately holding our own in the fierce competition among the top business schools is a good accomplishment.

Second, and more important, our clear positioning in the article as the most aggressive and 'on the move' top business school with remarkably broad strengths is an ideal platform from which to engage in the hard work ahead."

FAVORITE HUNTING GROUNDS

Where Companies Say They Find the Best Graduates for Specific Skills
(Reprinted from *Business Week*)

■ General Management

1. Harvard
2. Northwestern
3. Stanford
4. Michigan
5. Virginia

■ Marketing

1. Northwestern
2. Michigan
3. Harvard
4. North Carolina
5. Virginia

■ Finance

1. Wharton
2. Chicago
3. Columbia
4. New York
5. Michigan

■ Production

1. Carnegie Mellon
2. Purdue
3. Michigan
4. MIT
5. Cornell



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Michigan Mentors Make a Difference

Michigan MBA students, along with executives from General Electric, are participating in a powerful mentoring program for kids at risk of dropping out of school.

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Our new Korean distance learning program will be offered to high-potential managers of the Daewoo Group.

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What's Out There on the Horizon?

An insightful new book by Professors C.K. Prahalad and Gary Hamel offers a provocative blueprint for companies that want to dominate the markets of tomorrow. (Catching up is not enough. Getting smaller is not enough.)

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A Special Kind of Matchmaker

David Brophy, associate professor of finance, has been instrumental in putting 370 start-up ventures together with \$270 million in capital through his Growth Capital Symposium. Now the Symposium has expanded to Central and Eastern Europe.

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Art and a Guide to Business Survival

Professor Pedro Neuno uses paintings by Goya to enliven his points when he teaches in the new Global Program for Management Development offered jointly by the Michigan Business School's Executive Education Division and the International Graduate School of Management at the University of Navarra, Spain (IESE).



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The children of Mitchell Elementary School gave a party to thank their Michigan MBA and General Electric mentors. Our cover features photographs from that event and "thank you" drawings made by the children for their mentors.

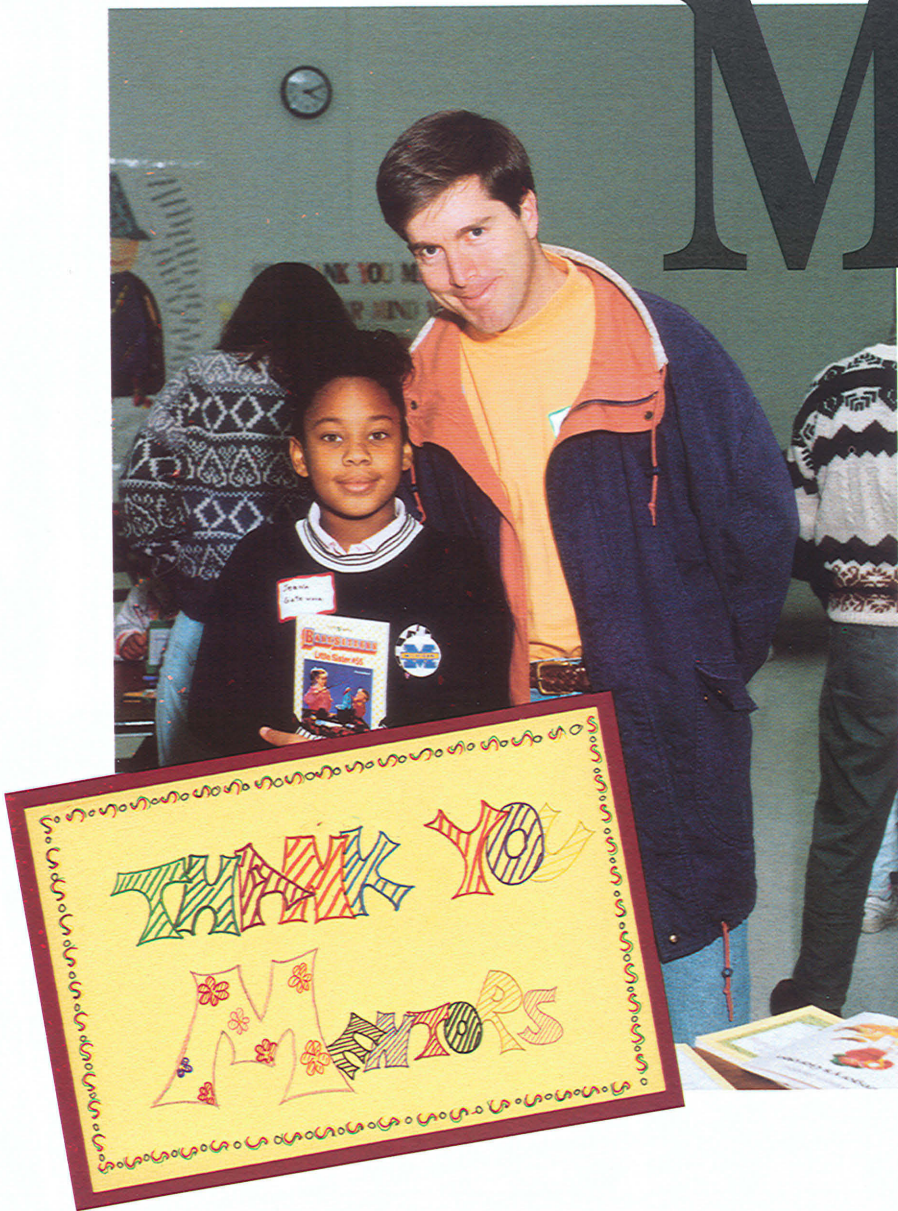
Dean: B. Joseph White, Associate Deans: Paul Danos, George Siedel III, Janet A. Weiss, Susan Ashford (interim),

Editor: Pringle Smith, Design: Kathy Krick, U of M Marketing Communications,

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Recycled paper in the spirit of conservation.

Michigan mentors Make a Difference



tors program, “no one ever misses school.”

T-LC stands for “Teaching-Learning Communities” and was started by Tice, a former art teacher, 21 years ago, using older volunteers (most often retirees) to act as role models and mentors of “at risk” students. “The Michigan MBA students have brought a tremendous infusion of interest, focus, and sheer energy to the program,” says Tice, adding (in a letter to Dean B. Joseph White), “In the three years we have worked together, I have been able to address needs in education in ways that I wouldn’t have imagined before the Business School involvement.”

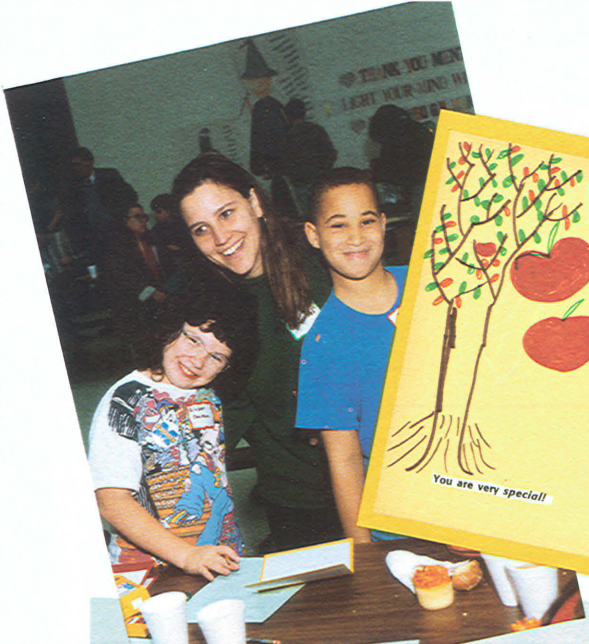
Now in its third year, the program has recently been awarded a \$25,000 grant from the GE Foundation. The GE grant, which was given to the Business School in partnership with the Ann Arbor Public Schools and Lifespan Resources, Inc., of which Tice is president, will make it possible to document the program for other schools struggling to develop reading programs that work with at-risk youths.

“Mentoring can be incredibly important in helping kids make positive choices for their lives,” says Tice. “It is not quick or easy, and the results are not always obvious or guaranteed, but there are many signs of how the small but significant initiatives are bearing fruit. Here’s one example:

“Each Tuesday afternoon, when the after-school program with the mentors is concluded, I drive a first grader to a rundown apartment that he and his single mother share with three other families. It is located behind a factory, as the child is documented ‘homeless,’ so his mother keeps his sleeping location hidden for fear he will be taken from her. The child clearly has a learning disability, but on the rides ‘home’ each week, it is clear to me that he is a very intelligent, aware

A recent \$25,000 grant from the GE Foundation will make it possible to document the mentoring program for other schools struggling to develop reading programs that work with at-risk youth.

Once every week, 20 Michigan MBA students, along with executives from the General Electric Elfun Society, meet with children at Mitchell Elementary School in Ann Arbor. The mission is to work with the kids on reading skills and homework, but that’s not all. The mentors are there to give one-on-one attention; to play Scrabble and other word games; to let the kids know they are special. “On that day,” says Carol Tice, director of the T-LC Men-



▲ Carol Tice (left), director of the T-LC Program, along with General Electric executives Murry Pierce (center) and Ted Roney, express appreciation to each other for the work they have done together on behalf of youth.

Gregory Fox

Gregory Fox

child who has great potential. With our mentors, he is focused and making progress. The school staff is wondering ‘what we are doing to motivate that child!’”

Initially the mentoring program concentrated on all academic areas, but it soon became evident that reading deficiencies should become the central focus in order for progress to be made in other areas of learning. One of the first undertakings after receiving the GE Foundation grant, was to buy each child a book of his or her own — something that many of the children had never had.

The Michigan Business School’s involvement with the mentoring program started three years ago as part of the School’s Global Citizenship Initiative, which begins with a two-day orientation experience during which students, working in teams

and cooperating with local service groups, complete various projects such as spending time painting and fixing up a community center in inner city Detroit or working with senior citizens through a local agency. “It sets the theme for us to be conscious of our corporate responsibilities in the community,” commented one MBA student. “It gets you beyond the textbook.”

The mentoring program extends beyond the two-day orientation session; it involves a regular time commitment every week in order to work towards the goal of helping children stay in school. With the participation of the GE Elfun Society of Detroit, both the corporate and education communities are involved. Attendance on the part of all participants has been excellent, and enthusiasm is high. MBA students who had made a one-year commitment chose to continue

Hey! YOU CAN DO THIS!



Gregory Fox



their involvement over a second year, and the number of GE participants has doubled. In addition, over half the parents of the children involved attended a recent informational open house held at the School.

Paul Anderson, MBA '94, now a marketing assistant at Nabisco, participated as a mentor for the two years he was a student here. He understood the value of mentoring in his own life and wanted to "give back." Now, when he returns to Ann Arbor, he stops by to see the kids and the new mentors, and

brings encouragement and a positive attitude which the kids find motivating. Mentoring is serious business to Paul, who has promised to attend the graduation of a youth with whom he worked steadily as a mentor. "Some of the results of mentoring, increased self-esteem and heightened scholastic aptitude, help in the development of today's youth," he says. "Mentoring acts as a catalyst to prevent problems before they arise, and increases the likelihood of individual prosperity and personal contribution to society."

"Many young children today have lost the moorings which represented a sense of being 'at home' with themselves and the world," says Tice. "This has profound implications for their ability to learn." She adds that the mentoring program, and now the \$25,000 GE Foundation grant, are helping not only to change that situation, but also to replicate that change in other communities and other schools.

Another Global Citizenship Program, this one in partnership with Whirlpool Corporation, is working with inner-city teens in Benton Harbor, Michigan, who are statistically in danger of not completing high school. The teens are all members of the Loft, a Benton Harbor organization that has worked with MBA students for over a year.

"We were really taken with the Loft," said second-year MBA student Kim Zeier, "They want to promote education, and since most of us are experts at going to school, we thought we could do something with them."

Zeier and other students have made a number of trips to Benton Harbor, and recently arranged to have the kids from the Loft visit the Business School, where they attended an information session which addressed some of the issues and opportunities open to high school students in Michigan. The MBA students say they thought the trip to Ann Arbor would help to make the idea of college "more real" to the teens.

One Business School student who grew up in inner-city Detroit spoke as a role model, using herself as concrete proof that kids can escape the inner city. The Benton Harbor teens responded by asking her for advice about issues they faced at home and in school. During a conversation that revolved around drugs and the threat of death, the MBA student recognized that she couldn't give them perfect answers — only share with them the ones that worked for her.

Throughout the presentation, the speakers emphasized the importance of education in reaching goals. Other students, talking to the teens over pizza and while touring the campus, conveyed the same message through informal conversation.

"We just want to give them the mindset that, 'Hey, you can do this,'" Zeier said. "Physically putting them on campus gets them thinking."



Global MBA Expands to Korea

The University of Michigan Business School will soon increase its presence in Asia with the addition of a Global MBA program in Korea.

These MBA programs, the first of which was with Cathay Pacific Airways in Hong Kong, combine the latest in communications technology with our top-quality management education resources. Senior Associate Dean Paul Danos and E. Han Kim, professor of finance, have led the effort to expand the Global MBA into Korea.

The Korean distance learning program, which will be offered to high-potential managers of the Daewoo Group, includes classes taught by Michigan professors via video conferencing and visits to Seoul, along with two semesters which students will spend in residence in Ann Arbor. Students will also participate in a full-length MAP field project.

Dean Paul Danos explained, "This new Korean initiative is a part of our globalization strategy for both our faculty and our students. We intend to enter into strategic partnerships with companies like Daewoo,

(Continued on page 6)



Another piece of the MBS globalization strategy fell into place in November, when Paul Danos (right), senior associate dean at the Business School, signed a contract with Daewoo, a Korean conglomerate, to provide an MBA program to the firm's most promising managerial talent. Hyung Suk Suh, vice chairman of the Daewoo Group in charge of planning and coordination, represented Daewoo at the signing ceremony and is pictured left.



E. Han Kim, professor of finance, is pictured with Kim Woo-Choong, founder of the Daewoo Group, during a recent visit to the Business School by the Daewoo chairman.

rather than attempting to set up a separate Michigan campus in Asia or elsewhere. That way, we are able to use our regular faculty and thereby deliver the best our School has to offer. The Global MBA provides our School with deeper relationships with world companies, and gives all of our students more opportunities to pursue a truly international education."

Interest in establishing the program came from Daewoo's chairman, Kim Woo-Choong, who is a member of the School's Visiting Committee. After seeing a presentation on the Cathay Pacific distance learning initiative, Chairman Kim inquired about the possibility of a similar program for Daewoo's employees. Professor E. Han Kim, who is well known in financial circles both in Korea and across the world, was involved in all aspects of negotiation, and his familiarity with Korea and Daewoo allowed the program to be established within seven months.

Once the Daewoo chairman decided on his plan of action, however, he faced the challenge of convincing the rest of his organization that such a bold move was necessary. "Daewoo ranks 36 in the world in size," commented Professor Kim. "It consists

of many companies under the umbrella of the Daewoo Group, of which Kim Woo-Choong is the chairman. He needed to convince the presidents of all the companies to send their brightest to school for 16 months."

In convincing the company presidents, Chairman Kim had to face their feelings of ambivalence. On the one hand, the presidents want their best managers to become better educated. But they also do not want to be without their brightest, most able and most active for 16 months. Other issues that needed to be resolved included how these top managers would be nominated by each of the operating companies, whether it was appropriate to distinguish these employees from others at Daewoo, and how the costs of the program would be covered.

"Chairman Kim was able to convince the presidents that, in the long run, the program was good for the company," stated Professor Kim. Among the benefits to Daewoo delineated by its chairman were the increased investment in human capital, the better perception of the firm for recruiting purposes, and the provision of a goal to help motivate younger employees.

As a link in the Michigan Global MBA program, the agreement with Daewoo will establish a curriculum similar to the one offered to Cathay Pacific managers. Originally, the Daewoo program was intended to be a three-year, part-time program. "But," Professor Kim explained, "We immediately realized that the students would not have time to study. They are on the fast-track and, therefore, work all the time. They do not work from 9 to 5 but from 5 to 9. Chairman Kim proposed the solution. 'Let's do it Daewoo style. Let's do it intense.'"

The intense program requires the same number of contact hours as the standard MBA program, but it is conducted over 16 months with no vacations. During the distance learning part of the program, students will live at Daewoo's training center outside Seoul. They will spend two semesters in residence in Ann Arbor.

The program starts in April 1995, when selected Daewoo employees will enroll in intensive versions of the MBA core classes. These courses will be built around a five-week module, requiring four hours of class time

per day per course. Each employee will take two courses per module. Having finished a majority of their core requirements, participating Daewoo employees will arrive in Ann Arbor at the end of August, 1995. During their time on campus, these students will take electives, and as a capstone to their education, the employees will return to Daewoo to complete a MAP project.

Although based on the Cathay Pacific model, the Daewoo program differs in that Cathay Pacific employees spend only seven weeks in Ann Arbor. Danos explained, "Daewoo is a company with more than 100,000 employees and more than \$40 billion in sales. Because of its size, the firm is better able to absorb the loss of key management talent for a year than is a smaller firm such as Cathay Pacific. The substance of the program in both cases is the same, but the packaging is different."

The entire Daewoo program will use a multi-method teaching approach. Approximately 30% of the student-instructor contact hours will be through distance learning technology, including interactive teleconferencing. Professors in Ann Arbor will broadcast their courses into Daewoo's training center. As part of each core course, the professor will visit Korea to conduct four days worth of on-site classes. The traditional case and lecture method will be employed in Ann Arbor, and a field project will cap the program.

Fifty-eight employees have been encouraged to apply to the program, which will have the same application process and standards as the domestic MBA curriculum. According to Natalie Grinblatt, associate director of admissions, "The applicants are fast-track managers. They are the people that Daewoo thinks will be running the company in the future."

The first round of the process, interviewing applicants, was conducted on-site by Grinblatt and Jane Lieberthal, who is also an associate director of admissions. The applicants also completed the written application for admission to the standard MBA program, and took the GMAT in January. Once applications are complete, the employees will be evaluated and 40 admission offers will be made by the Michigan Business School.

Grinblatt commented that the applicants vary significantly in experience and age from the traditional MBA student body. Most are in their 30s, and they range in title from assistant manager to deputy general manager. They span the breadth of industries in which Daewoo is involved, from securities to shipbuilding to electronics. Each applicant has gained significant global experience, serving Daewoo in Africa, Europe or the U.S., and has experience working in teams. Most applicants also have a staff of employees who report to them.

"One applicant we spoke with oversaw the General Motors-Daewoo joint venture," said Grinblatt. "Through that experience, he was able to compare the decision-making process in U.S. firms with the one in operation at Daewoo. Another was among a group of engineers who constructed a road in Libya. He was amazed at the bureaucracy of the government in that country. We are excited that these students will bring their diverse experiences to both our faculty and our current student population."

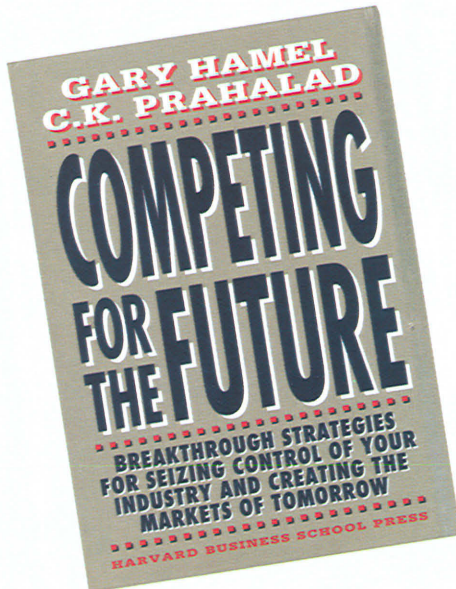
A major difference between the applicants and traditional MBA students is that, among the 58 applicants, there is not one woman. Grinblatt commented that the difference is a product of the Korean culture. She explained, "Women working in management usually do not work for Korean-owned businesses. Instead, they work for western companies. And it is usually only the younger generation of women."

"In distance learning programs," says Danos, "the challenge is to deliver at a distance but at the same level of quality. While being inflexible about the quality of our program, we are willing to be flexible in how and where we deliver it. While not changing the content, we can change those factors that don't affect quality — such as time, place, and cycle time. Through the Daewoo initiative, we plan to experiment with Lotus Notes in addition to using video teleconferencing. We will also be inaugurating our new distance learning center in the library, which opened in January. Essentially, we will be working in a laboratory for the classroom of the future."

(Dividend is indebted to Nicole DuPont and the Monroe Street Journal for substantial contributions to this article.)

The intense program requires the same number of contact hours as the standard MBA program, but it is conducted over sixteen months with no vacations.

What's out there on the horizon?



An insightful new book offers a provocative blueprint for companies that want to dominate the markets of tomorrow. (Catching up is not enough. Getting smaller is not enough.)

Michigan Business School Professor C.K. Prahalad and London Business School Professor Gary Hamel have a question. Just what, they ask, is occupy-

ing the attention of senior management these days? And furthermore, what SHOULD be occupying the attention of senior management?

These basic questions have inevitably led to others, and have given rise to a stream of provocative and highly regarded writings, the most recent of which is their new book, *Competing for the Future*, published in September, 1994 by Harvard Business School Press and already being translated into nine languages.

The new book deals with questions such as:

- How can competitors with apparently meager resources manage to successfully challenge corporate giants?
- What drives some companies, and not others, to continuously search for new advantages?
- How can one develop a business strategy for a market that might not emerge for a decade or more? How is it possible to imagine markets that haven't yet come into being?

Existing theories of strategy and organization, say the authors, do not fully answer these questions. While they provide a scorecard for keeping track of relative competitive advantage, they fail to capture the dynamic of competence building.

The authors explain that they wrote their book at a time when companies were disbanding corporate strategy departments, when consulting firms were engaged more often to improve operating efficiency than to plot strategy, and when many companies were rushing to downsize rather than to create the markets and industries of tomorrow.

"Our goal in this book," write Prahalad and Hamel, "is to enlarge the concept of strategy so that it more fully encompasses the emerging competitive reality — a reality in which the goal is to transform industries, not just organizations; a reality in which being incrementally better is not enough; a reality in which any company that cannot imagine the future won't be around to enjoy it."

The authors explain that they often ask senior managers three related questions: First, what percentage of their time is spent on external, rather than internal, issues — understanding, for example, the implications of a particular new technology versus debating corporate overhead allocations? Second, of this time spent looking outward, how much of it is spent considering how the world could be different in five or ten years, as opposed to worrying about winning the next big contract or how to respond to a competitor's pricing move? Third, of the time devoted to looking outward and forward, how much of it is spent in consultation with colleagues, where the objective is to build a deeply shared, well-tested view of the future, as opposed to a personal and idiosyncratic view?

In asking these questions, the authors



Photo © David Toege, Blackstar

Michigan Business School Professor C.K. Prahalad (standing), and London Business School Professor Gary Hamel, authors of the new book, *Competing for the Future*, published in September, 1994.

have found that on average, senior management is devoting less than 3% of its time to building a corporate perspective on the future.

"It takes substantial and sustained intellectual energy to develop high-quality, robust answers to questions such as what new core competences will we need to build, what new product concepts should we pioneer, what new alliances will we need to form, what nascent development programs should we protect, and what long-term regulatory initiatives should we pursue. We believe such questions have received far too little attention in many companies," say Prahalad and Hamel.

The result, argue the authors, is that the future goes largely unexplored; and the capacity to act rather than the capacity to think and imagine, becomes the sole measure of leadership.

They go on to say, "The goal of this book can be simply stated: to help managers imagine the future and, having imagined it, create it. We want to help them get off the restructuring treadmill and get beyond the reengineering programs that simply rev up

today's performance. We want to help them capture the riches that the future holds in store for those who get there first."

In the book there are chapters devoted to such topics as how competition for the future is different, learning to forget, competing for industry foresight, crafting strategic architecture, strategy as stretch, strategy as leverage, competing to shape the future, building gateways to the future, embedding the core competence perspective, securing the future, and thinking differently.

To have a share in the future, say the authors, a company must learn to think differently about three things: the meaning of competitiveness, the meaning of strategy, and the meaning of organizations.

This is a tall order, but according to reviews, the book fulfills it admirably. "If there is room for only one management book on your reading shelf this year, this is it," advises Steven Pearlstein in a *Washington Post* article. And David Sainsbury writing in the *Financial Times* says, "I predict that this book will be a big success, and that many businessmen will gain competitive advantage

from reading it. It provides a more coherent view of strategy than Kenichi Ohmae's *The Mind of the Strategist*, is more original and stimulating than *In Search of Excellence*, and is certainly more enjoyable to read than Michael Porter's volumes on *Competitive Strategy* and *Competitive Advantage*."

Peter M. Senge, author of *The Fifth Discipline*, writes of the book, "Today, most businesses are caught in the feeding frenzy of cutting costs, restructuring, and reengineering, and only a few are genuinely committed to creating future revenues. You will know who they are — because they will be reading *Competing for the Future*, the long-awaited book by Gary Hamel and C.K. Prahalad, arguably the two most influential thinkers on strategy in the Western world."

Professors Prahalad and Hamel are experts in the dynamics of the global marketplace and the strategies and structures of companies that thrive in today's volatile environment. They have co-authored seven *Harvard Business Review* articles — two of which, "Strategic Intent" and "The Core Competence of the Corporation," have won coveted McKinsey prizes. Both articles are among the *Harvard Business Review*'s bestselling reprints, and "The Core Competence of the Corporation" is the most reprinted article in HBR's history.

C.K. Prahalad is Harvey C. Fruehauf Professor of Business Administration and professor of corporate strategy and international business at the Michigan Business School. He is co-author, along with Yves Doz, of *The Multinational Mission: Balancing Local Demands and Global Vision*. He has consulted with many multinational firms, among them Eastman Kodak, AT&T, Cargill, Honeywell, Philips, Colgate Palmolive, Motorola, TRW, Whirlpool, and Ahlstrom. He is also a world-class teacher.

Gary Hamel received his Ph.D. from the Michigan Business School in 1990, and is professor of strategic and international management at London Business School, where each spring he also directs a short executive program that attracts managers from all over the world. As a consultant, he has worked in companies around the globe, including Rockwell, Motorola, Alcoa, Nokia, EDS, Ford, and Dow Chemical. He is also a member of the editorial board of the *Strategic Management Journal*.

GET A PENCIL. RATE YOUR COMPANY.

How does senior management's point of view about the future stack up against that of competitors?

Conventional and Reactive • • • Distinctive and Far-sighted

Which issue is absorbing more of senior management's attention?

Reengineering Core Processes • • • Regenerating Core Strategies

Within the industry, do competitors view our company as more of a rule-taker or a rule-maker?

Mostly a Rule-taker • • • Mostly a Rule-maker

What are we better at, improving operational efficiency or creating fundamentally new businesses?

Operational Efficiency • • • New Business Development

What percentage of our advantage-building efforts focus on catching up with competitors versus building advantages new to the industry?

Mostly Catching up to the Others • • • Mostly New to the Industry

To what extent has our transformation agenda been set by competitors' actions versus being set by our own unique vision of the future?

Largely Driven by Competitors • • • Largely Driven by Our Vision

To what extent am I, as a senior manager, a maintenance engineer working on the present or an architect designing the future?

Mostly an Engineer • • • Mostly an Architect

Among employees, what is the balance between anxiety and hope?

Mostly Anxiety • • • Mostly Hope

The authors say that if your answers fall somewhere in the middle, or off to the left, your company may be devoting too much energy to preserving the past and not enough to creating the future. (Reprinted by permission of Harvard Business School Press. Excerpt from *Competing for the Future* by Gary Hamel and C.K. Prahalad. Copyright © 1994 by Gary Hamel and C.K. Prahalad; all rights reserved)

Whirlpool Foundation Gift Allows Expansion of the MBA Domestic Corps Program

The Whirlpool Foundation has just given the Business School \$242,000 to expand its internship program that serves nonprofit organizations in the United States.

The Whirlpool Foundation grant will make it possible to add 12 community service-learning internships to the MBA Domestic Corps program. These interns, to be called "Whirlpool Ambassadors," will be placed in communities with high concentrations of low income residents, environmental distress, significant job loss and economic dislocation, and higher than average unemployment. The program makes it possible for nonprofit organizations serving human needs in these communities to draw on the business expertise of these young professionals.

This approach to internships began in the summer of 1990, when the Business School initiated the Michigan Business Assistance Corps (MBA Corps) that sent graduate students to Poland to help companies make the transition from a command to a market economy. Since then, over 80 MBA students have been sent to Poland and Russia, where they have carried out financial analyses, developed business plans, taught management courses, and

provided hands-on assistance to managers confronted with new economic and social challenges.

Based on the success of the International MBA Corps, the University of Michigan Business School initiated the MBA Domestic Corps two years ago, and since then has placed 23 student interns in community nonprofit organizations and nonprofit agencies in the U.S. In 1993-94, gifts to support the MBA Domestic Corps were received from the Lawson Valentine Foundation, Union Pump Company, George Nichols, Tom and Pat Jeffs, Sault Ste. Marie Tribe of Chippewa Indians, Ameritech, and the University of Michigan Business School itself.

Because of the work of the MBA Domestic Corps, the University of Michigan Business School expects to better understand the unique business-related needs of nonprofit organizations, and to develop programs by which these agencies can be assisted. "There is a strong interest in the Business School to sensitize MBAs — our future corporate executives — to the fact that they are going to be making decisions that directly affect the communities they work in," commented Marian Kryzowski, director of the MBA Corps program.

(Continued on page 31)

some sample mba domestic corps projects

In past summers, MBA Domestic Corps interns have:

- Presented management training and executive skills workshops for Navajo managers in Chinle, Shiprock, and Kayenta on the Navajo reservation.
- Done an analysis and made recommendations for agency accountability and fund allocation for United Way of Greater Southeastern Michigan.
- Worked on the business plan and organizational structure of a business incubator for the Michigan Neighborhood Partnership, a community coalition in Detroit.
- Developed a strategic plan for Washtenaw County, Michigan, in response to the closing of the GM plant in Willow Run. This included helping to develop basic marketing tools to lure businesses to the area.
- Looked at the budget process of the City of Detroit and provided research and analysis of the city budget, searching for ways to help restructure the budget to make it more efficient.
- Developed an employee qualification program for Focus:HOPE's Center for Advanced Technologies in Detroit.

Growth Capital Symposium Expands to Europe Where It Links Entrepreneurs with Capital

For the past 15 years, David Brophy, associate professor of finance and director of the new Office for the Study of Private Equity Finance at the Business School, has been working as a special kind of matchmaker.

To date, he has been instrumental in putting 370 start-up ventures together with \$270 million in capital through his annual Growth Capital Symposium in Michigan, which this year opened a second Symposium overseas to help companies in Central and Eastern Europe gain access to international equity markets.

However, the issues Brophy grapples with in implementing the European Growth Capital Sym-

Klein had 15 minutes to sell his ideas to a group of investors gathered in Hale Auditorium at the 15th Annual Growth Capital Symposium held in Ann Arbor in October. He was one of 14 presenters at the Symposium, which Brophy founded in 1979 to encourage venture capitalists in Michigan to invest their money to help start the next General Motors or IBM.

But participants in the Michigan Growth Capital Symposium need less coaching to develop a case for investors than do companies in Eastern Europe. "The problem," explains Brophy, "is that most companies in Central and Eastern Europe do not know what the standards of international investors

are, and there are very few programs now in existence to help companies approach the international capital markets."

In Gdansk, Poland, Ryzard Sadowski, founder of Bossa S.A., an accounting software company, is looking for a strategic partner as well as for equity investors. The Office for the Study of Private Equity Finance placed a team at the company to work with the president, the financial director, and the product develop-

ment and marketing department to develop a strategic business plan that would meet the standards of international investors. The team included Ed Pickens, MBA '94; Brian Gimotty, MBA '93 (who had been a participant in the MBA corps in Poland in 1992); and two graduate student interns from Polish universities.



Jeffrey Mellandt (left) of Great Plains Software, who is in Poland to develop the North Dakota company's entry strategy into Eastern Europe, meets at the Warsaw Growth Capital Symposium with Ryzard Sadowski (right), founder and president of Bossa S.A., an accounting software company based in Gdansk.

posium are quite different from those he faces in Michigan.

For example, in Michigan Mike Klein is trying to raise \$1.5 million to bring his product to market. His company, Steeplechase Software, develops personal computer-based factory automation software which emphasizes productivity and ease of use.

A Special Match

Teams at Bossa S.A. and at other locations spent the summer helping companies focus on three important issues: 1) establishing Western standards and operating practices in the management of the identified companies; 2) reducing information asymmetries between Western investors and the companies; and 3) equipping local institutions such as banks, regional development agencies and educational institutions to provide similar assistance to investors in the future.

In Poland, about 60% of the software market is controlled by small operations that support only one or two companies each. Bossa S.A. is unique in that it has developed over 75 authorized dealers who are trained to install and support its software program, making it one of the very few companies with a national distribution network in place. However, in order to appeal to the international equity market, it needs to develop a national direct sales force and to develop a Windows version of its current software. The team assigned to Bossa not only helped with this project, but also worked with the Office for the Study of Private Equity Finance to identify a U.S. strategic partner. They sifted through 40 or so candidates, and after many telephone calls and memos, were able to make a match between Bossa and Great Plains Software in Fargo, North Dakota, which was in the midst of formulating an entry strategy for Central and Eastern Europe.

al Kind maker

Representatives of the two companies met each other at the first European Growth Capital Symposium, held in Warsaw in October. There they also had a chance to get in touch with a representative of the Polish American Enterprise Fund, which has \$180 million available for equity investments in Poland. Investors attending the Symposium represented over \$1.5 billion under management.

How the European Symposium Began

The international links that led to the European Symposium began to be forged at the 1993 Growth Capital Symposium in Michigan, which featured a panel of 12 people from Poland, Hungary, and the Czech Republic who discussed opportunities in Central and Eastern Europe as well as the difficulties they faced in accessing international equity markets.

After that discussion, Marcin Zagorski, director of the Gdansk Regional Development Agency, said, "We need a Growth Capital Symposium to be held in Central and Eastern Europe, but the companies will need significant help in getting ready to present to investors." He offered office space and clerical support for staff members to come over and help identify companies and get them ready to present.

So the following summer, University of Michigan Business School graduates, along with interns from Polish universities, started doing the groundwork that would result in a

successful Symposium. With the help of the Warsaw School of Economics, the University of Gdansk, the Association of Regional Development Agencies in Poland, and local professional organizations, this first European Symposium was a truly international effort.

The Office for the Study of Private Equity Finance also is training regional development agencies, banks, and academic institutions to develop skills in identifying growth companies, working with them on strategy, and presenting the companies to investors. Ideally, these professionals can then use these new skills to create a significant overall increase in foreign investment and thereby improve the local infrastructure for such activity.

Brophy comments that raising venture capital is an increasingly competitive enterprise for entrepreneurs, but it also has become competitive among investors, all of whom seek the advantage that comes with getting in early on promising ventures. "Presenters might be in the early stage and post-start-up periods, or they could be established firms that want to expand current operations, introduce more products, or supplement bank funding," he says.

Sometimes, he adds, presenters are established firms in special situations — for example, they might be about to make a public offering or be interested in merging, acquiring another firm, or developing a joint venture.

Besides being Director of the Office for the Study of Private Equity

Finance, Brophy teaches courses at the University of Michigan Business School in venture capital, corporate finance, and banking. He has conducted 17 projects in the U.S., Hong Kong, and Australia, and was recently appointed to oversee the 1995 White House Conference on Small Business study entitled, "Prospects for Small Business and Entrepreneurship in the 21st Century." He has twice won the National Association of Small Business Investment Companies Research Award.

The Office for the Study of Private Equity Finance was established as part of the University of Michigan Business School in June, 1993, as a result of a gift from the family of Donald, Sr., Donald, Jr., and James Parsons and separate gifts from Michael Stark and James Daverman, each of whom is an alumnus of the University and each of whom is involved in the field of private equity finance.



Pictured during the first European Growth Capital Symposium are some of the people who made it happen. From left to right, they are: Dimitry Smolin, now based in Russia on a consulting project for Owens Corning, and who worked with Russian companies getting them ready to present at the Symposium; Wojciech Deska, graduate business student from the University of Gdansk, who was an intern for the Symposium; Brian Gimotty, MBA '93, who is headquartered in Poland as Director of International Programs for the Office for the Study of Private Equity Finance; David Brophy, associate professor of finance, who founded the Growth Capital Symposium and now directs the Office for the Study of Private Equity Finance; Ed Pickens, MBA '94, now working with the Office for the Study of Private Equity Finance in Poland; and Marta Swaryczewska, intern from the Warsaw School of Economics.

Alumni Activities

Coming Soon to Your Mailbox: The Alumni Census

You will soon be receiving the Michigan Business School Alumni Census mailing, which will help us in the preparation of the 1996 Alumni Directory. We appreciate your taking the time to answer the census questions, which will ask information about your address and telephone number(s) as well as institutions attended and the newly popular electronic mail address.

The Census mailing will give us a start on the 1996 Alumni

Directory, being

produced this year by the Bernard C. Harris Publishing Company, a leader in the industry for over 30 years. You will begin to receive information about the directory during the coming months, and we expect it will be available for delivery to alumni in early 1996.

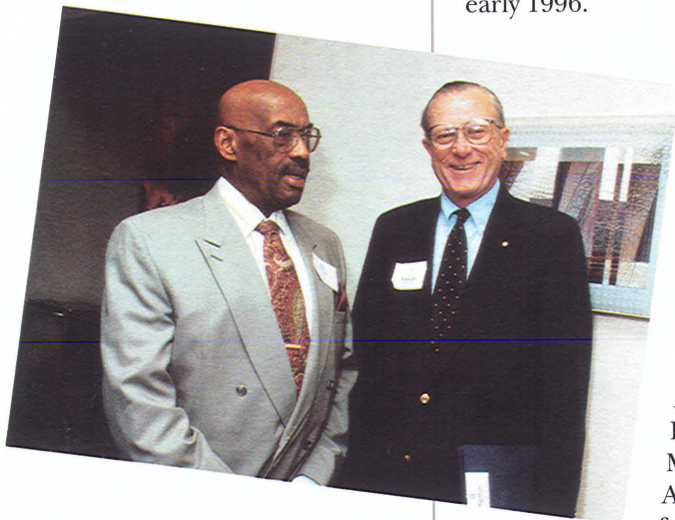


▲ *Alumni Reunion, '94 - Eugene Hicks, MBA '51, and his wife, Virginia.*

1995 Women's Forum to Look at Networking

The Third Annual Women's Forum, scheduled for March 31 in Hale Auditorium, will feature keynote speaker Elaine Ullian,

MPH '73, president and CEO of Boston University Medical Center



▲ *Alumni Reunion, '94 - Bill Bell (left) and George Milroy, both MBAs '54.*

Hospital, who will discuss "Networking: How We Use It to Our Advantage."

Beginning in 1984, Ullian and other women in the health care field in Boston formed an informal women's network (nicknamed the "A Team"), which was so effective in helping them land top jobs that it was written up in the January 8, 1995 issue of *The New York Times*. The Forum, which is being sponsored this year by the Michigan Business Women, The University of Michigan Business School, and the U-M School of Public Health, will begin with a buffet luncheon at noon, followed by the afternoon's program which begins at 1:30.

Following Ullian's address, people will be able to attend various workshops on such topics as communication and credibility; negotiation techniques; women entrepreneurs; and power and influence. For more information, call the Office of Alumni Relations at (313) 763-5775.

Europe Symposium Scheduled June 9

"Managing Revolutionary Change" will be the topic at the 3rd Annual European Symposium in Paris on June 9, 1995. Professor Noel Tichy, author of *Control Your Destiny or Someone Else Will* and director of the Global Leadership Partnership, will be the keynote speaker and will speak on "Transformation: The Management of Change — Part 1: The Theory and Part 2: The Action." He will be followed by Visiting Associate Professor Andy McGill, who will also talk about "Transformation Part 2: The Action."

This year, the Symposium will also celebrate the Business School's presence in Paris. A partnership with the new Leonardo da Vinci University in the La Defense area of Paris will provide the Business School with a prime European site for its activities. This year, the facility will be used primarily for Executive Education programs.

Three Classes Especially Gather for 1994 Reunion

Members of the classes of '69, '84, and '89 returned to campus October 28 and 29 to participate in Reunion Weekend. Members of other classes also returned, but this year, the Business School Alumni Office began focusing activities around the 5, 10 and 25 year classes, rather than inviting all 28,000 alumni back to campus for an all-class reunion. (All alumni are very welcome to return every year, but by focusing activities around specific classes, the Alumni Office hopes to build a reunion tradition, and thus create a more memorable event for class members.)

A special feature of the weekend was the opportunity afforded alumni on Friday to attend Executive Skills Workshops, one of the curriculum innovations initiated by the School. These are two- to three-hour workshops that emphasize action learning and skill building, and function as mini-executive education courses. One workshop, entitled "Managing Power and Influence," gave participants insight into their influencing behaviors as well as providing a set of ideas and strategies for how to influence more effectively. The other workshop, on

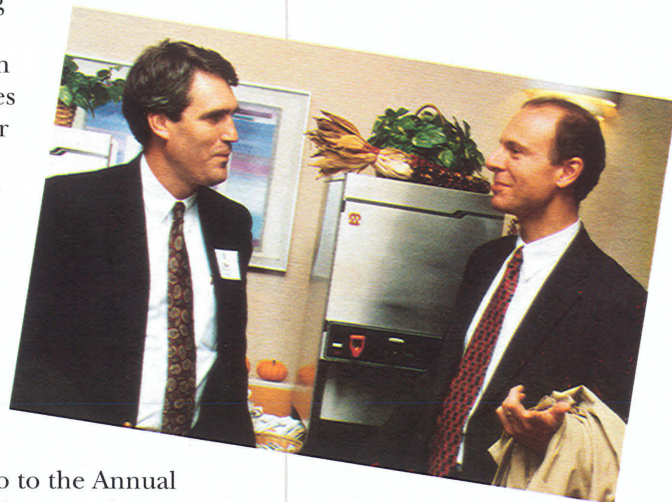
"Jumping the Time Barrier," looked at ways executives manage multiple priorities while still maintaining a quality lifestyle.

On Saturday morning, alumni were able to attend a presentation by Martha Rogers,

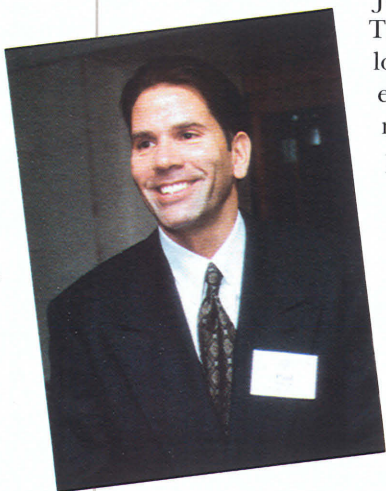
author of *The One to One Future: Building Relationships One Customer at a Time* — which considered the future of marketing in an increasingly advanced technological society. Following the lecture, the School provided a Tailgate lunch in the Business School Portico and transportation to the stadium for the Homecoming football game.

Other Reunion Weekend activities included a dinner for all reunion classes, hosted by Dean B. Joseph White. During dinner, the reunion classes presented Dean White with their reunion gifts — funds which go to the Annual Fund and which, because they are undesignated, allow the School to seize unexpected opportunities when they arise, and help support a broad range of essential needs and innovative educational programs. Several class parties were held on both Friday and Saturday evenings, including the BBA and MBA classes of 1989.

Plans are currently underway for the 1995 Reunion Weekend, scheduled for October 27 and 28, 1995 and focusing on the classes of '70, '85, and '90. If you would like to help plan your reunion weekend, please contact Jeff Schoenherr, Assistant Director of Alumni Relations, at (313) 764-5181.



▲ *Alumni Reunion '94 - Jim Powers (left) and Jerry Davidson, both MBAs '84.*



▲ *Alumni Reunion '94 - Paul Smith, BBA '80, MBA '84, senior vice president of TriStar Pictures.*



▲ *Alumni Reunion '94 - Some members of the 10th reunion class are: (left to right) Brian Eden, Holly Lynch, Jeff Ewald and Jim Elliot, all MBAs '84.*

Art and a Guide



El Pelele (The Fool)

New Joint
Global
Program in
Management
Development
is Offered in
Switzerland

to Business Survival

Dozens of times, says Professor Pedro Neuno, he has asked groups of employers and managers who are analyzing a case study on business decline, "What mistakes did this company make?"

In no time at all, he says, the blackboard is filled with examples of miscalculation, indecision, omission, negligence, lack of foresight, waste, and nepotism that have caused the process of erosion that led the company to its present difficulties.

Then he asks, "Is it possible the company did not realize what was happening?" The overwhelming response is "No." Everyone quickly comes to the logical conclusion: employees of the company did not want to see their mistakes and the consequences. They deceived themselves.

Neuno illustrates his lecture on self-deception with a painting by Goya entitled "El Pelele" (The Fool). He uses other paintings by Goya to enliven other points when he teaches in the new Global Program for Management Development offered jointly by the Michigan Business School's Executive Education Division and the International Graduate School of Management at the University of Navarra, Spain (IESE).

Neuno's book, *Corporate Turnaround*, gives many examples from both Europe and the USA of case studies of companies that have attempted turnarounds. He says that because certain situations tend to recur in corporate turnarounds, models exist that can enable such turnarounds to be approached in a way that will improve the end result and increase the chances of success. His book, entitled *Corporate Turnarounds - A Practical Guide to Business Survival*, has been published in Spanish, English, French, and German. The Spanish and French editions include color reproductions of the paintings he uses to illustrate his points.

The new joint program was offered for the first time this summer at the Hotel Le Mirador, Mont Pelerin, Lake Geneva, Switzerland. It is designed for experienced managers and executives who have to cope with cross-boundary networks and those who

are impacted by foreign competition, especially those managers who need to understand the dynamics of global competition as well as the operating implications for the firm.

Core faculty for the Global Program for Management Development includes Michigan Business School faculty members C.K. Prahalad, professor of corporate strategy, who was cited by *Business Week* as a world-class teacher; Raymond Reilly, director of the executive program and professor of business administration; and David Ulrich, co-director of the human resource executive program who was cited by *Business Week* as one of the world's top ten faculty in executive education. Core faculty from IESE are Eduard Ballarin, Nissan Professor of Corporate Strategy, who co-directs the program with Reilly; and Nueno, professor of production, technology and operations, who has published extensively in the fields of innovation and enterprise creation.



This team of five faculty members formulates, updates, and presents the new program. Although these scholars are experts in their respective fields, they also are knowledgeable across several functional areas, thus ensuring that all segments of the program are cohesively presented. Throughout the year, the faculty team modifies and renews both the program's curriculum and emphases in keeping with changes in management theory, organizational strategy, and current business concerns.

The 1995 Global Program for Management Development will be presented in Switzerland from June 26 to July 7.

Professor Pedro Neuno (pictured below), illustrates his lecture on self-deception with a painting by Goya entitled "El Pelele" (The Fool). He uses other paintings by Goya to enliven other points when he teaches in the new Global Program for Management Development offered jointly by the Michigan Business School's Executive Education Division and the International Graduate School of Management at the University of Navarra, Spain (IESE). ▼

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MONG OURSELVES

New "Society of Scholars" Aims to Nurture Creative Researchers in Varied Fields

Fellows of a new "Society of Scholars," recently inaugurated at the University of Michigan Business School, will spend three years in residence at the University of Michigan to bring their disciplines to bear on critical issues in the rapidly changing business environment in the U.S. and around the world.

The new Society aims to nurture the development of a new generation of creative researchers in academic fields related to business. "One of the goals of the Society is to provide financial and intellectual support for outstanding scholars at the beginning of their academic careers," said Susan Ashford, associate professor of organizational behavior and human resource management, who is administering the program. "We want to stimulate intellectual conversation and ideas, methods of inquiry, and evidence, and we are seeking Scholars who are willing and able to contribute to such conversation at consistently high levels."

Scholars will be appointed for a three-year term, and must have received a Ph.D. degree (or

equivalent) between January 1, 1992 and September 1, 1995. Ph.D. graduates of the University of Michigan Business School are not eligible for these fellowships.

Each Scholar will have a three-year appointment as assistant professor. This appointment is not tenure-track and will terminate at the end of the fellowship period.

Scholars are expected to be in residence in Ann Arbor during the academic years of the fellowship, to teach for the equivalent of one academic year, and to devote their energy to their scholarly work. Each Scholar will be affiliated with one of the faculty groups within the Business School, and will be expected to collaborate with Business School faculty and Ph.D. students, and other faculty at the University of Michigan, in addition to pursuing his or her independent work.

"We are seeking applicants of outstanding scholarly promise who are committed to developing the ideas of their discipline using applications or problems that arise in business," explained Ashford. "Scholars trained

in basic disciplines who seek to become familiar with business issues are encouraged to apply, as are scholars engaged in interdisciplinary research who seek opportunities to establish a research record

in an emerging area."

For application materials, write to: Michigan Business School Society of Scholars, School of Business Administration, University of Michigan, Ann Arbor, Michigan 48109-1234.

NBD Establishes Assistant Professorship with \$500,000 Gift

A major gift from NBD Bancorp, Inc. has enabled the University of Michigan Business School to establish a named endowed assistant professorship, to be awarded on a one-year term basis.

The professorship allows a non-tenured junior faculty member with special promise of scholarly productivity to complete research and/or writing projects and to enhance teaching expertise by means of support which may include salary, release time, equipment and research/travel funds.

"The NBD Assistant Professorship will be extremely helpful in enabling us to recognize and support emerging leaders from among the ranks of our nontenured faculty," said Dean B. Joseph White. "We are grateful for this opportu-

nity to recognize the potential of tomorrow's leaders in business education, and to encourage its fruition."

"We are very proud of the relationship between NBD and the University of Michigan," said Thomas H. Jeffs II, president and chief operating officer of NBD Bancorp, Inc. He and Verne Istock, chairman and CEO of NBD, are both MBA graduates of the University of Michigan Business School.

The NBD Assistant Professorship is the second to be awarded in this new category, designed to recognize the special accomplishments of junior faculty. The first of these professorships was established in 1992 with a gift from Sanford R. Robertson, BBA '53, MBA '54.

B School Initiates "Math Camp" for Incoming MBA Students

"With intelligence, efficiency and wit, our professors and TAs were able to teach in five days the 15-year math education that I had forgotten," says an MBA student enthusiastically about the first Quantitative Skills Workshop held at the Business School this year.

For the first time, students entering the MBA program had the opportunity to brush up on their mathematical skills before starting their classes. Those who had a liberal arts education and a professional background in sales, for example, could practice ratios, graphs, break-even analyses, and calculus.

A notice of the workshop, along with a self-assessment exam, was sent to all admitted MBA students, along with guidelines to help them judge whether they needed such a review. The workshop was designed to build on and refresh math skills — "to knock the cobwebs out and boost confidence," said Valerie Suslow, associate professor of business economics and public policy, who is the program director. Other QSW faculty members included associate finance professor Paul Seguin, associate marketing professor Eugene Anderson, associate professor of accounting David Wright, and assistant statistics

professor Martin Young. All of them teach core courses in the MBA program.

Students had the option of enrolling in either a five-day, extended format or a two-day, condensed format. No exams were set, and no grades were given. "No one was chastised for rolling in late, homework was more of a guideline than a rule, and one could always find fellow 'mathletes' at Dominicks, discussing anything but compounding continuous interest," said one partici-

pant. "Thumbs up!" said another. "The QSW was a great way to gain confidence in one's abilities, especially for those who had been out of school for quite awhile." About a third of the entering MBA class attended the workshop.

No final was given, but the workshop ended with a rousing "Math Rally." Student teams were sent on a hunt around the Business School campus. Directions for the hunt were encrypted

as the solutions to quantitative business problems, and teams competed for the quickest solutions. For example, the optimal selling price for a product turned out to be the last two digits of the room where the next problem awaited.

The two-day and five-day workshops will be given again in 1995 during the week preceding MBA orientation.

Great Lakes TAAC Wins First Place for Helping a Local Manufacturer Return to Profitability



Maureen A. Burns, director of the Great Lakes Trade Adjustment Assistance Center, celebrates the first-place award won by the Center with Sundaresan (Sam) Swaminathan, director of the winning project which helped a local manufacturer return to profitability and overcome foreign competition.

The Great Lakes Trade Adjustment Assistance Center (GLTAAC) has won a national first-place award for its efforts to help a local manufacturer return to profitability and overcome foreign competition. The Center offers low-cost consulting services to struggling small businesses, helping them deal with changing markets and production techniques.

GLTAAC is a division of the Business and Industrial Assistance Division of the University of Michigan Business School. It was awarded first place in the business assistance category of a national competition conducted by the National Association of Management and Technical Assistance Centers (NAMTAC).

The Center's client, Challenge Machinery

Company, is the only remaining domestic manufacturer of paper cutters and paper drills for the graphic arts industry. In 1993, its sales had fallen and operational costs were in the red.

Working with the company, GLTAAC was able to help identify key problems, and to make practical recommendations for improving plant layout and use of the multi-million dollar machining centers. Employees were cross-trained, and a TQM program was implemented. The company began an ISO-9000 certification program to enable successful marketing of its products overseas, and formed an alliance with Xerox to develop a new automated trimmer that will generate \$1 million in sales per year.

As a result of cost reduction programs and productivity improvements, the company saved over \$300,000, and sales increased by 5% to \$23 million. The project saved 509 Michigan jobs, 849 jobs nationally, and added two new jobs in the last 12 months which might have otherwise

gone out of the U.S. The project manager was Sundaresan (Sam) Swaminathan, social science senior research associate at the Business School.

The National Association of Management and Technical Assistance Centers gives ten awards each year — three for business assistance, three for technology transfer, three for economic development assistance, and one in a special assistance category. The Great Lakes Trade Adjustment Assistance Center has won two previous awards. Its director is Maureen A. Burns.

School Welcomes New Communications Director

Keith Decie, former vice president at Kearns and West public relations consulting firm, has joined the Business School staff as Assistant to the Dean and Director of Communications.

Over the past several years, the University of Michigan Business School was one of Decie's clients at Kearns and West, where he helped to frame and communicate the School's story to the press.

Decie's responsibilities will be to develop and implement a communications strategy that will increase understanding of the School among all our constituents, internal and external, with the effect of raising our stature and the visibility of our faculty and programs.

Decie is a graduate of Georgetown University and, before joining the Business School staff, was with Kearns and West for ten years in Washington, D.C.



Keith Decie, newly appointed Director of Communications at the Business School.

Real Estate Fellowships Announced at 8th Annual Forum

The 8th Annual Real Estate Forum, sponsored this year by the Business School and the College of Architecture and Urban Planning, featured presentations by Michigan 1994 "Moguls of the Year," as designated by *Commercial inc.*, the magazine for commercial real estate in Michigan.

This year a fellowship fund was established to provide encouragement and financial support to students seeking careers in real estate. Three fellowships were presented at the Forum by sponsoring organizations Butzel Long, Kenneth Leventhal & Co., and Balcor Management Services, Inc.

The Forum began with a dinner and reception Thursday, November 10, continued with networking sessions, panel discussions, and workshops all day Friday, and concluded with

a panel discussion Saturday morning on emerging trends in real estate.

Taking part in the panel on Saturday morning were Katherine F. Beebe, DArch '84, president of Premise Associates; Mason E. Capitani, president of Mason E. Capitani; Michael G. Damone, senior regional director of First Industrial Realty Trust; Steven G.

Gordon, president and CEO of Signature Associates; David B. Hanson, vice president and general manager of Turner Construction Co.; Arnold Mikon, DArch '66, MBA '69, president, CEO and chairman of Smith, Hinchman & Grylls Associates/The Smith Group; and Craig D.

Wieland, president of the Wieland-Davco Corp. These panelists were all named 1994 "Moguls of the Year" by *Commercial inc.* magazine. Moderator of the panel was Peter Allen, MBA '73, president of Peter T. Allen & Associates.



Gordon Didier (left) and Joseph Melnick of Butzel Long are pictured with architecture and urban planning student Nancy Dragutski, who was the recipient of the Butzel Long fellowship.



Pictured left to right are Craig Brace, architecture student, who was awarded the Leventhal fellowship; Frank Pons and Richard Sinkuler (standing), representing Kenneth Leventhal & Co. CPA firm; Craig Morse, student in architecture and urban planning, who received the fellowship given by Balcor Management Services Inc.; and Timothy Schroeder, MBA '91, representing Balcor.

Gregory Fox

Hispanic MBA Conference Welcomes Michigan Students at Annual Conference in Houston

More than 20 students from the University of Michigan Business School traveled to Houston, Texas in October to participate in the annual conference and career expo of the National Society of Hispanic MBAs. The conference was attended by more than 1,000 business people and students from all over the nation.

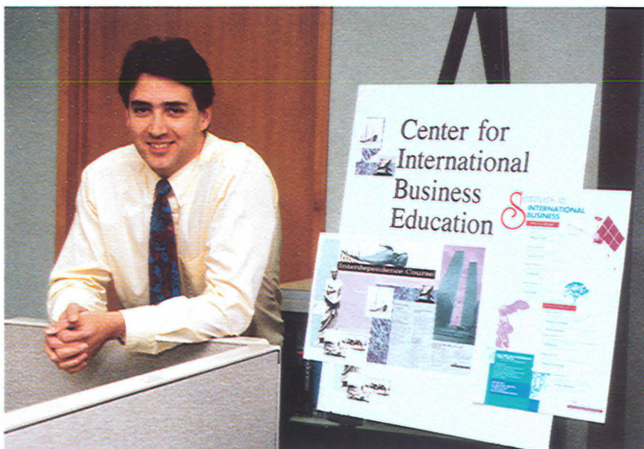
During the conference, the University of Michigan Hispanic Business Association was introduced as the

first student chapter in the organization. Students had a chance to participate in a wide variety of workshops, seminars, and lectures. The conference also provided an excellent opportunity to exchange ideas with other MBA students from top business schools and to meet some recent Michigan MBA graduates.

A career fair was held as part of the conference, with more than 100 companies and business schools participating. Michigan

students said the Michigan Business School booth served as their "headquarters," from which they not only provided information to prospective business students, but also went forth to meet corporate recruiters and learn more about their organizations.

Attending the Hispanic MBA Conference in Houston this fall were members of the University of Michigan Hispanic Business Association, which included (left to right) Arturo Martinez, Manuel Calderon, Marilena Beuses, Pat Chavez, and Joel Martinez.



Gregory Fox

Brad Farnsworth, Director of International Affairs

School Appoints Director of International Affairs

Brad Farnsworth, who currently is director of the Center for International Business (CIBE) at the Business School, has now been appointed Director of International Affairs. He will continue to direct CIBE and in addition, will oversee continued

development and deployment of the School's Asian strategy, direct our exchange programs with European universities, manage the visiting scholars program, and handle other matters concerning international outreach.

David Ulrich Honored by National Academy of Human Resources

The National Academy of Human Resources (NAHR) has elected Professor David Ulrich, director of the Business School's Human Resource Executive Program, a Fellow of the Academy.

"We are proud to honor David Ulrich, who is one of the industry's foremost experts on human resource and management issues," said Howard V. Knicely, chairman of NAHR. "In addition to advising more than half of *Fortune's* top 200 corporations on their organization and management practices, he has developed an award-winning national database that measures human resource practices in

terms of financial performance."

Ulrich, who is the editor of *Human Resource Management*, also serves on the editorial board of five other journals. He is one of 10 Fellows selected this year.



Professor David Ulrich

Manufacturing Initiative Receives Two Major Gifts

Two gifts — one from Ford Motor Company for \$1.9 million, and one from Chrysler Corporation for \$1.5 million — have been received by the Michigan Joint Manufacturing Initiative (MJMI).

Of the Ford gift, \$1.3 million will be used for an endowed directorship, and \$600,000 will be used to endow fellowships. The gift from Chrysler Corporation is undesignated; the exact use of this money will be determined by the MJMI co-directors and Chrysler representatives, based on the needs of the program.

"In two and a half years, MJMI has grown from an idea to a thriving program with over 100 students," said B. Joseph White, dean of the University of Michigan Business School. "As MJMI strives to support education and research to enhance the global competitiveness of American manufacturing, we are grateful for the generosity and confidence shown in the program by contributions such as those made by Ford and Chrysler."

MJMI, a joint venture between the University of Michigan Business School and the College of Engineering, aims to address the acute shortage of broadly trained professionals who understand both the engineering and the business aspects of manufacturing.

Four degrees are available under the MJMI banner. Students can enroll in the MBA program with a concentration in manufacturing; the MBA program with a concentration in manufacturing and an MS in engineering; a 12-month

master's of engineering program in manufacturing engineering with a heavy dose of business courses; or a five-year honors program leading to a BSE and MSE in engineering.

In addition to course work, the program sends students in small teams to work at an industry site for three to four months. A pair of faculty advisers, one from

companies. It meets twice a year to discuss such issues as curriculum development, cross-disciplinary research activities, and career path definition for students.

Students enrolled in MJMI average 4.5 years of full-time work experience, an undergraduate grade point of 3.3 and a GMAT score of 674, representing the 95th percentile of scores nationwide.



business and one from engineering, mentors each project team. Companies present the teams with cross-disciplinary problems. Recent projects have included competitive analysis, strategic positioning, plant layout, inventory management, and related issues.

In addition, industry representatives as well as academic researchers regularly speak to MJMI students regarding innovations, problems, solutions, and challenges in manufacturing. There is an MJMI Industrial Advisory Board that consists of 27 representatives of manufacturing

MJMI is jointly directed by Brian Talbot, professor of operations management at the Business School; James Bean, professor of industrial and operations engineering at the College of Engineering; and Craig Marks, visiting professor, College of Engineering and School of Business Administration.

Besides the Ford and Chrysler gifts, MJMI has recently received \$600,000 in gifts and pledges, which includes \$200,000 from the 3M Foundation, to be awarded over two years; \$300,000 from AlliedSignal Inc., to be given over three years; and \$100,000 from the SPX Foundation, to be

awarded over five years. Other contributions have been received from Merck, General Motors, Andersen Consulting, the Herrick Foundation, Ashland Oil, the Maas Foundation, and T & N Industries.

Eugene Fama Gives Mitsui Keynote Speech

Eugene Fama, the Robert R. McCormick Professor of Finance at the University of Chicago, gave the keynote address at a two-day conference in October at the Business School. It combined the fifth annual Conference on Financial Economics and Accounting with the third Mitsui Life Symposium on Global Financial Markets. Fama's topic was, "Perspectives on Testing Asset Pricing Models." The conference was co-sponsored by the Mitsui Life Financial Research Center and the Paton Accounting Center.



Eugene Fama, professor of finance at the University of Chicago, was the keynote speaker for the third Mitsui Life Symposium.



Jeff Dodge

Business School alumni who attended the New York Business Leaders luncheon included (left to right) Edward M. Carpenter, MBA '64, chairman and CEO of General Signal Corporation; William K. Hall, MBA '67, Ph.D. '69, president and CEO of Eagle Industries; Richard Akwei, MBA '86, vice president, J.P. Morgan; and Arun Daga, MBA '66, director of the Corporate Productivity Office at Xerox Corporation. Carpenter and Hall are members of the Business School's Visiting Committee; Akwei is a member of our Alumni Society Board of Governors; Daga serves on the advisory board of the Michigan Joint Manufacturing Initiative.

C.K. Prahalad Speaks to N.Y. Business Leaders

The annual luncheon for business leaders in New York City featured C.K. Prahalad, professor of corporate strategy and international business, who spoke on "Competing for the Future."

His new book by that name was published in the Fall by the Harvard Business School Press. (See page 8 for more about the book.)

The purpose of the luncheon is to acquaint alumni and friends of the University with Michigan's most talented faculty whose area of expertise is of special interest to corporate and business leaders.

Host for the event was Christopher J. Steffen, BA '64, vice chairman of Citicorp. The luncheon was held in the dining room at the Citicorps Center and included graduates from business, engineering, law



Jeff Dodge

C.K. Prahalad (left), professor of corporate strategy, who spoke at the luncheon on "Competing for the Future," is pictured with Christopher J. Steffen, BA '64, vice chairman of Citicorp, who hosted the event at the Citicorp Center.

and LSA, as well as some graduates of Michigan's executive education programs.

Special guest at the event was B. Joseph White, dean of the Business School, who introduced Professor Prahalad and spoke briefly about the importance of the New York business community to the University.

Wall Street Journal Reporters Speak on Automobile Industry

Paul Ingrassia and Joseph White, authors of *Comeback: The Fall and Rise of the American Automobile Industry*, spoke in Hale Auditorium to members of the Business School community about their book, answered questions from students and faculty, and finally, signed copies of their book.

The authors have covered the auto industry for the *Wall Street Journal* during the past decade, and in 1993 were awarded a Pulitzer Prize for their reporting of the management turmoil at General Motors.

Simon & Schuster, publisher of the book, describes it as "an anecdotal and analytical account of the American auto industry between 1983 and 1993 an unprecedented period of upheaval

in which the auto industry almost died, and then miraculously revived itself. It is a story driven by greed, stubborn pride, and sheer refusal to face facts, but it is also one full of dedicated, unlikely heroes who fought to make the Big Three change before it was too late. This is an American success story, born of a close call with disaster."

Paul Ingrassia was a senior editor at the *Wall Street Journal*, and is now assistant vice president of Dow Jones Telerate, Inc. Joseph White has been the *Wall Street Journal's* Detroit deputy bureau chief since 1990, and was recently transferred to Brussels, Belgium, where he is now news editor of the *Wall Street Journal/Europe*.

The event was sponsored by the Executive Skills Program Author Series.



Gregory Fox

Pulitzer Prize winning authors Paul Ingrassia and Joseph White of the *Wall Street Journal* spoke at the School on their new book, *Comeback: The Fall and Rise of the American Automobile Industry*.

U-M AmeriCorps Program Uses Teams of Graduate Students for Community Service to Find Solutions to Neighborhood Problems

When AmeriCorps, dubbed a “domestic Peace Corps,” held its kickoff celebration in Detroit in January, the University of Michigan was well represented.

Delegates from five U-M graduate and professional units were present at the ceremonies, because they will all be working together with the Michigan Neighborhood Partnership (MNP) to apply their expertise to the solution of community problems. The Michigan Neighborhood Partnership represents several community-based organizations, and is directed by Charlene Johnson.

For several years now, the Business School, through our Domestic MBA Corps, has sent business students into communities where they can apply their skills to help domestic service organizations and non-profit agencies. The U-M part of the AmeriCorps program expands that concept to include students from diverse graduate programs working together in teams.

The primary U-M program, headed by Barry Checkoway of the School of Social Work, initially will utilize 40 graduate students from five professional programs: the School of Social Work, the College of Architecture and Urban Planning, the School of Public Health, the School of Business Administration, and the Institute for Public Policy Studies. A special and unique aspect of the U-M



Pictured above are representatives of each of the U-M graduate and professional schools involved in the AmeriCorps program. From left to right, they are: Toby Citrin, director of community and government relations at the School of Public Health; George Seidel, associate dean at the Business School; Paula Allen-Meares, dean of the School of Social Work; Robert Beckley, dean of the College of Architecture and Urban Planning; and Edward Gramlich, director of the Institute of Public Policy Studies.

program is its interdisciplinary nature.

During a typical internship, for example, a team of community and student participants might work with the Mexicantown Community Development Corporation, an affiliate of the Southwest Detroit Business Association, to revitalize a neighborhood commercial district. They might inventory existing business conditions, conduct a resident survey, analyze zoning ordinances, formulate an urban design concept, assess health and human service needs, and plan for economic development. Team members would draw upon community resources, build upon early community-campus collaboration, and bring business, social work, urban planning, public

health, and public policy skills to bear on community needs as identified by community-based organizations.

The AmeriCorps program is an initiative of the Corporation for National and Community Service in Washington, D.C. Created last year as part of President Clinton's national service program, the Corporation invited colleges and universities to propose programs to serve communities and provide tuition benefits to students.

Nine such proposals were selected for the state of Michigan. The University and the Michigan Neighborhood Partnership (MNP), a coalition of Detroit community groups, will receive a first-year grant of \$750,000 for the program. Other

universities that received grants include Michigan State University, Oakland University and Eastern Michigan University.

The U-M program has an initial three-year budget of \$2.7 million. Checkoway said \$325,000 of the first year's \$750,000 will come from the federal government, with the balance being made up by the U-M and Skillman Foundation of Detroit.

“The University of Michigan has a long history of undergraduate involvement in community service learning,” commented Checkoway, “but this particular program is the first to bring graduate and professional units together in an interdisciplinary effort for community service.”

Anita Roddick Receives 1994-95 Business Leadership Award

Anita Roddick, the dynamic and controversial founder of the London-based Body Shop International, gave the annual Nathan Lecture in Corporate Environmental Management at the Power Center in September. At that time, she also received the 1994-95 Business Leadership Award from the Michigan Business School. She is one of only two women to win the award in more than 30 years.

Roddick opened the first branch of the Body Shop, which sells cosmetics, soaps and other environmentally friendly beauty products, in Brighton, England, in 1976. Today, the Body Shop has more than 1,050 shops and trades in 45 countries with worldwide retail sales of more than \$657 million. More than 7,000 people work for the company and its franchisees. Not only has the company become a major force within the cosmetics industry, it has also been a leader among businesses that make social responsibility a core part of their identity and ethic.

The Nathan Lectures provide a showcase for distinguished speakers who lead by example, demonstrating to the world how business and environment are inextricably linked. They are made possible by the generosity of Jo Ann and Stuart C. Nathan, BBA '62, and are co-sponsored by the Business School and the School of Natural Resources and Environment. The two schools are

involved in a joint initiative, the Corporate Environmental Management Program (CEMP).

"CEMP's goal is to develop leaders with the knowledge and skills required to create economically and environmentally sustainable organizations," said Stuart Hart, director of CEMP and assistant professor of corporate strategy at the Business School. "Anita Roddick's concern for the environment and social responsibility, her vision and her willingness to encounter risks as she strives for those difficult, often elusive goals, are an important dimension of CEMP."

At the same time, Roddick was appearing at the Business School, she was being heavily criticized in an article circulating in the September-October issue of *Business Ethics*, a Minneapolis-based magazine. The article, entitled, "Is the Body Shop Too Good to Be True?" claimed that the company doesn't deserve its image as clean, green, ethical and a friend of the environment.

"The controversy shows how difficult it is to come up with an environmental strategy," commented Susan Svoboda of the School of Natural Resources and Environment and manager of CEMP. "There are a lot of companies that are just now sorting out what it would mean to be green.

When Anita Roddick gave the Nathan Lecture in Corporate Environmental Management, she peppered her talk with messages that flashed on a screen beside her: "You can bring your heart to work with you"; "Challenge everything"; and "You make a living by what you get. You make a life by what you give." ▼



▲ Anita Roddick, founder of the Body Shop, receives the Business Leadership Award from business students (left to right) Ed Hightower, vice president of MBA Affairs; Jason Mahoney, vice president of BBA Affairs; and Brian Jeffries, president of student government.

The Body Shop has been actively exploring what it means. Of course, whenever you try something new, it's risky. You're open to this kind of controversy happening."

The controversy didn't seem to bother Roddick. "No matter what happens to you, if you stand up to change anything, it comes with the territory that you're going to be challenged," she told the crowd. "But if you think you're too small to be effective, you've never been in bed with a mosquito."

After her speech, entitled "Profits with Principles," Roddick signed copies of her book, *Body and Soul — The Amazing Success Story of Anita Roddick and the Body Shop*.

Debra Meyerson, formerly an assistant professor at Michigan and now a visiting assistant professor at Stanford, commented on the contro-

versy surrounding the Body Shop in a column she wrote for the *San Jose Mercury News*. "I am concerned about what to teach my students about leadership and social change within a society so quick to dismiss the accomplishments of leaders such as the Roddicks and so eager to point to the gaps, however small and trivial, between words and deeds.

"Why are small gaps viewed as shortfalls, hypocrisies, or even moral failures, rather than as aspirations and promises toward which a society or organization can continue to work? In this climate, would anyone with great aspirations and commitments choose to lead? It would be easy and sensible to ask oneself: Why bother?"



Mary C. Bromage - 1906-1995

Professor Mary Bromage Dies

Mary Bromage, professor emerita of written communication, died January 3 in Berkeley, California. “Mary taught generations of students and thousands of managers in the public and private sector how to communicate more effectively through their writing,” said Dean B. Joseph White. “It was my great privilege to be her neighbor on the School’s seventh floor when I joined the faculty in 1974. She was for me what every junior faculty member needs in a senior colleague — friendly, interested, available, wise, and tough-minded. We will miss her.”

Professor Bromage was born in Massachusetts, and earned degrees from Radcliffe and the University of Michigan. She was a journalist in Boston for two newspapers before serving in 1943 as chief administrative officer for the United Nations Relief and Rehabilitation Administration. She joined the English Department of the University in the mid-1940s, and in 1948 was named the University’s Associate Dean of Women. Her husband Arthur, who preceded her in death, was professor of political science at the University of Michigan for many years.

In 1956, Bromage joined the business school faculty, where she rose from instructor to professor of written communication. She was named professor emerita in 1977. On her retirement, the U-M Regents said,

“In the best tradition of teaching, Professor Bromage could make her ideas live through the written and oral word. She was an educator of the highest rank, a woman whose keen semantic scalpel cut through verbiage to the core of meaning.”

Retirement did not diminish Bromage’s passion for teaching. She traveled around the world over the last 17 years conducting seminars for companies and government agencies, instructing executives on clear writing and communication with employees.

Bromage was the author of a number of written communication texts, including *Cases in Written Communication*, *Writing for Business*, and *Writing Audit Reports*. She also wrote two books, *Devalera and the March of a Nation* and *Churchill and Ireland*, that reflected her great personal interest in Irish public affairs.

She is survived by her daughter, Susanna Paterson, and son-in-law, Professor John Paterson of the University of California at Berkeley, six grandchildren and 12 great grandchildren.

Memorial contributions can be made to the Arthur W. and Mary C. Bromage Fellowship Fund, c/o The University of Michigan Institute of Public Policy Studies, 440 Lorch Hall, 611 Tappan Street, Ann Arbor, Michigan 48109-1220.

Class Notes

47 Lois (Kritchman) Winsen BBA '47

writes that she moved to San Diego from Michigan about 14 years ago. Now in semi-retirement, Lois still keeps a hand in marketing and consulting. She is currently acting as a dealer in original animation art. Last year she produced and directed a political info-mercial for a local candidate, and she continues to market an award winning self-help video that she wrote and produced. On a personal note, Lois is enjoying life and her grandchildren.

58 Richard T. Dirlam BBA '58

retired from ALRO Steel Corp. in 1990 as a vice-president after 32 years. He was elected mayor of Jackson, Indiana in November, 1993.

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

has been named a director of the National Academy of Human Resources (NAHR). Established in 1991, NAHR advances recognition for outstanding achievement by business professionals, researchers, institutions and others involved in human resource activities. Directors are nominated and elected by their peers. Michael is now president and CEO of the Society for Human Resource Management, which represents the interests of more than 60,000 professional and student members from around the world. He has also served in executive positions with two Fortune 50 companies, and is often called to testify before Congress on issues affecting the human resource profession.

63 Jeffrey Jarrett BBA '62, MBA '63

is professor and former chair of the department of management science at the University of Rhode Island. He received his Ph.D. from New York University in 1967 and writes that he spent this past summer studying German at the "Deutsche Somerschule Am Atlantik," and participated in an exchange program with Braunschweig Technische Universitat, Braunschweig, Germany, in November as part of a delegation of business and engineering faculty. The purpose of the

visit was to discuss ways of dealing with the hurdles that have generally restricted study abroad programs to students in the humanities. His latest book, *Business Forecasting Methods*, 2nd Ed., was published by Basil Blackwell, Oxford, England, in 1991.

66 Charles D. Storms MBA '66

is president and CEO of Red Spot Paint & Varnish Co., Inc., in Evansville, Indiana. The company is the fourth largest manufacturer of coatings for plastics for automotive use, and employs 472 people. It just opened a new 53,500-square foot, \$8.2 million research center in September. The company also has a plant in Westland, Michigan and a sales office in Plymouth, Michigan.

72 Fred M. Diamond MBA '72

has been named vice president of Behr Iron and Steel, Inc. His responsibilities will include scrap brokerage throughout the midwest, and he will be based out of the company's Northfield, Illinois office. Fred, who has 19 years experience in the scrap metal industry, was formerly president of Diamond Scrap Industries and is also a board member and past vice president of the Chicago Chapter of the Institute of Scrap Recycling Industries.

Larry Mlynowski MBA '72

has moved from Montreal, Canada to Oakville, Ontario, Canada, and writes that he has joined a new organization, Dynovation Machine Systems in Burlington, Ontario, as executive vice president.

76 Carl B. Frampton BBA '76

was recently elected to the newly created position of chief operating officer and executive vice president at Microwave Networks Incorporated (MNI), headquartered in Houston, Texas. The company designs and manufactures low to medium capacity digital microwave transmission systems for use in wireless communications networks worldwide. As COO, Carl assumes

the responsibility of directing and managing all business activities of the company, and is the ranking officer in charge of the company's total quality program and processes. All operating functions, including finance, sales, marketing, program management, manufacturing and engineering, report to him. Before joining MNI in 1992 as CFO, Carl was vice president and general manager for Multiflex, Inc., an international company that produces equipment used in the offshore oil industry for the sub-sea production of oil and gas. Carl, who is a CPA, also worked in accounting and auditing positions for Nichimen, Quanax Corporation and Ernst & Young.

J. B. Hoyt MBA '76

has been named director, global logistics integration, for Whirlpool. He is currently director, mergers and acquisitions, in corporate planning. In his new position, J.B. will be responsible for leading the logistics planning activities to support the manufacturing planning and logistics of the global business process team. It will also give him an opportunity to leverage his prior logistics experience with his knowledge of global mergers and acquisitions. He has been with Whirlpool since 1976.

78 Nat Malcolm MBA '78

retired from the U.S. Navy on August 1, 1994 with the rank of captain. Nat's last duty station was as commanding officer, Navy Exchanges, Europe. He now lives at Kiawah Island, South Carolina, and writes that he is "half-heartedly" looking for gainful employment.

79 Gary D. Pett BBA '79

writes that he was recently elected a director of Suburban Bank of Barrington, in addition to being chairman, president, and CEO of Harris Bank Barrington. Both banks are owned by Harris Bankcorp, report over \$800 million in assets combined, and offer a full range of retail, commercial, and trust services. Gary and his wife Martha live in Northbrook, Illinois with their four children, ages 5-11.

81

Karl A. Schultz
BBA '81

writes that his latest book, *Personal Energy Management, a Christian Personal and Professional Growth Program and Workbook*, has been published by the Loyola University Press. Karl is the director of Genesis Personal Development Center in Glenshaw, Pennsylvania, and writes and speaks on topics such as wellness, care giving, organizational development, and Christian spirituality. He has developed and conducted programs for individuals, and has discussed his books on several television and radio programs as well as developing community outreach and biblical studies programs for parishes in Michigan, Massachusetts, and Pennsylvania. Other titles he has written include *Where is God When You Need Him?*, *Sharing Stories of Suffering with Job and Jesus* (Alba House), and *The Art and Vocation of Caring for People in Pain* (Paulist Press).

Michael Bash
MBA '81

has been promoted to senior market manager for ACCO USA, in Wheeling, Illinois. He is part of the North American management team responsible for successfully launching the Day-Timer brand of personal organizers into new distribution channels in the U.S. and Canada. Michael has held a number of marketing positions with the \$1 billion worldwide office products manufacturer, most recently as leader of a team which successfully turned around two declining product lines. He received a marketing award as Manager of the Year for these efforts.

James C. Boldt
MBA '81

was recently appointed treasurer and chief financial officer of Austin Powder Company, based in Cleveland, Ohio. Established in 1833, Austin Powder Company is the world's oldest explosives manufacturer. It operates facilities in 25 U.S. locations and in 19 countries around the world, and manufactures a full line of high explosives, blasting agents and initiation systems for mine, quarry, construction and seismic operations. In his new position, James will manage the financial and administrative operations of Austin's domestic and international business units. Before joining Austin, he was president of American Alloy Corpora-

Andy Barowsky, MBA '74**Is President and CEO of the Wholesale Bakery of the Year**

Andy Barowsky, MBA '74, has more than tripled sales since becoming president and CEO of the award winning Lepage Bakeries, headquartered in Auburn, Maine. Since assuming his current position in 1980, Lepage Bakeries' sales have increased from \$25 to \$80 million annually. According to Barowsky, "Our goal has been to be a good employer and a consumer-friendly operator, while positioning ourselves on the cutting edge where technology is concerned." It is precisely this mindset which turned the independent baker into an industry leader as the 1993 Wholesale Bakery of the Year. According to Bill St. Lawrence, senior vice president of sales, "Andy is totally relentless on the market. He is, without a doubt, the most aggressive bakery president that I have ever worked for or dealt with."

This "aggressive" attitude toward new technology and capital investment is the reason that Lepage Bakeries has consistently been the technology leader in the industry. Ten years ago Lepage was one of the first bakeries to equip their route drivers with hand-held computers. Now the company is using its "fifth generation" of hand-held units which helps monitor quality and cost controls, as well as customer service. In addition, while most bakeries take on a major project every five years, Lepage Bakeries installs two to three new systems in every plant each year. All of these technological advancements are supervised from Lepage Bakeries' 30-person headquarters which is home to some of the most sophisticated marketing, sales, and information management systems in the industry. The office is virtually paperless, allowing management to exercise a great deal of efficiency and control. For example, an audit of a 12-route branch can be done in less than 20 minutes.

Lepage Bakeries has prospered during a time when many independent bakeries have been unable to compete with much larger bakeries under multinational corporate ownership. *Bakery* magazine selected Lepage Bakeries as its Wholesale Bakery of the Year "for surviving, succeeding and emerging as one of the nation's foremost respected independent bakeries."

tion. He lives in Shaker Heights, Ohio with his wife and three children.

Bill Somers
MBA '81

has been elected a partner of Pittiglio Rabin Todd & McGrath (PRTM), the leading consulting firm to technology-based companies, with 11 offices around the world. The company provides assistance to high technology clients in operations management, supply chain integration and new product time-to-market reduction. Before joining PRTM, Bill held a series of operations management and production development positions with National Semiconductor and Shugart Corporation. He and his wife Sara, and children Richard (30 months) and Lizzie (14 months) live in Mountain View, California.

82 Craig Stack
BBA '82

has started High Five Marketing, Inc., his own sports marketing company in Atlanta, Georgia, after 12 years of working for two large Fortune 500 companies. He has

plans to expand his company into the Michigan and Florida markets over the next two years. On a personal note, Craig adds that he and his wife were recently blessed with their second child, Kristen Kyle, born in July, 1994.

Steve Szabo
MBA '82

has been promoted to the position of division labor relations manager for the Household Products Division of the Clorox Company. He, his wife, Bethany, and their three daughters enjoy living in the deep south in Jackson, Mississippi, although Steve travels extensively to support ten manufacturing facilities. His only complaint is that "Pay Per View" is necessary to watch most U of M football games in Mississippi.

Larry Walz
BBA '80, MBA '82

has been with Intel Corporation since graduation and is now corporate controller for Accounts Payable/Fixed Asset Accounting. He is responsible for an organization of 180 accountants which disperses nearly \$4 billion annually, and

writes that they are working on a number of leading edge accounting automation projects. One of Larry's most interesting experiences at Intel was an effort to purchase Intel's 200 employee computer services operation through a management buy-out. Intel was divesting itself of this business and, in partnership with four senior managers, Larry made an effort to purchase the business. He says he had a lot of fun putting together turnaround strategies and pursuing financing, but unfortunately they came up short in securing funding and he has since taken his current position. Larry is now living in Beaverton, Oregon with his wife, Amy, and their two sons.

**83 Mary Claire (Coles) Kastenholz
BBA '83**

announces the arrival of twins, born February, 1994. Kara Ann and Keith Michael are keeping her busy in her new role as full-time stay-at-home mom.

**Robert J. Rock
BBA '76, MBA '83**

joined Jay Alix & Associates in August 1994 as a principal. Since receiving his BBA in 1976, he spent 18 years at Price Waterhouse, including the last seven as a partner. At Jay Alix & Associates, he will specialize in litigation consulting and insolvency and investigative accounting services. The firm specializes in crisis management services and acts as a turnaround adviser for large corporations.

**84 Edward R. Arbitter, Jr.
MBA '84**

has been appointed director of finance and systems for General Motors Europe Aftersales, located in Russelsheim, Germany. Before this appointment, Edward was assistant divisional finance director at Packard Electric Division of General Motors Corporation, located in Warren, Ohio. He joined General Motors in 1975 and held a variety of engineering assignments at GM's Hydramatic Division before transferring to the GM Corporate Financial Staff in Detroit in 1983. While in the GM Financial Staff, he held a series of financial positions including executive financial liaison to the vice chairman, director of North American operations analysis, and director of North American product program analysis. Edward was appointed assistant divisional comptroller of AC Rochester in September, 1990 and assistant divisional finance director at Packard Electric in October, 1991.

Kenneth W. Corba, MBA '84

Turns Children Into Young Investors



A profile of Kenneth W. Corba, MBA '84, in the August 7, 1994 *New York Times* focused on his work with young investors. The Stein Roe & Farnham Young Investors Fund, managed by Corba, is teaching children about investment and portfolio management. Its May, 1994 inception was in response to a nation-wide survey of 1,389 students in grades 8 through 12, of which 55 percent said they would like to learn more about investing. "We want to light up the interest and imagination of young investors and earn superior returns over time," said Corba, who majored in English in college and is a teacher at heart, as well as an investment manager. Currently, 1,029 young investors, half between the ages of 11 and 15, have contributed \$2,500 to participate in the fund.

Along with participation in the fund, the initial investment provides the young investor with a welcome kit complete with manuals and activity books to encourage the children to learn while they are having fun. There's a young investor certificate and a large wall poster for tracking investments in the fund — the date shares are bought or sold, dollar amount of the sale, number of shares, and so on. The young investors also receive the "Owners Manual for Young Investors," which provides explanations and definitions for difficult concepts such as diversification and mutual funds. There are also activities for parents and children to do together such as calculating the cost of a college education or paying the family bills.

In addition to managing the Stein Roe Young Investor Fund, Corba also has about \$2 billion under management, including 30 institutional client accounts and the co-management of the Stein Roe Stock Fund since 1989, which has a five-year annualized performance of +10.1 %.

**85 Barry Bobrow and Karen Knoble
MBA '85**

have had an eventful year! In April, Karen gave birth to their identical twin boys, Sheldon and Jacob. The boys joined two year old Anna. In October, Barry left Continental Bank in Chicago and accepted a position as vice president with Chase Securities in New York City. In this position, he is responsible for the syndication of middle market and leveraged transactions originating at Chase. Karen recently resigned from her position as human resources manager of FMC's Food Machinery Group, and will begin a job search in the metropolitan New York area this spring. The Bobrows are living in Chatham, New Jersey.

**Ajit Gadre
BBA '85**

writes that he is presently managing the Library of Congress Endowment Fund on Capitol Hill. The Fund, which relies on contributions from individuals and corporations, pays for additions to the library's collections, and sponsors concerts and exhibitions. One of the most

interesting projects being financed by the Fund involves digitizing parts of the library's collection so that it can be accessed by computers nationwide. Before taking this position, Ajit traded foreign currencies for a multinational company in Pennsylvania, and earned an MBA from the University of Maryland as well as becoming a CPA. He also worked as a commercial loan officer in Florida.

**86 Michael J. Perullo
BBA '86**

has joined Tascor, a subsidiary of the Norrell Corporation headquartered in Atlanta. Norrell is a \$700-million public company providing temporary staffing solutions to thousands of North American clients. Michael, who is a CPA, supports the Tascor national sales team in their quest to provide accounting service offerings to prospects dealing with cost containment pressures, as well as the need to fundamentally rethink the manner in which non-core competency "back office" support services the organization.

Mike Malony
MBA '86

writes that he has joined DaySpring Cards, the largest manufacturer of Christian greeting cards and related products, as director of sales and customer-business development. Mike will be responsible for all domestic and international sales activity. He was formerly general manager of seasonal and everyday cards at Hallmark Cards, Inc. in Kansas city. He is relocating to Fayetteville in northwest Arkansas with his wife, Linda, and their three children.

87 Kathleen Liu Lyons
BBA '87

has joined the Chicago office of the law firm Vedder, Price, Kaufman & Kamholz as an associate. She received her JD in 1994 from Loyola University School of Law, where she was the managing editor of the *Loyola University Chicago Law Journal*. Vedder, Price, Kaufman & Kamholz is a full service, national law firm with over 150 attorneys in Chicago, Washington, D.C., New York City, and Rockford, Illinois.

88 Joshua Haims
MBA '88

has paired up with Chicago artist Jane Talman to form Jane Talman+, a manufacturer of whimsical high-end accessories and children's furniture. As president, Josh is responsible for all aspects of manufacturing, financial management, marketing, and strategic planning. Through a licensing agreement with Hanna Barbara, you may see his line of Flintstones furnishings and accessories in stores in the spring. Josh also continues his job as an artist's representative, acting as a liaison between advertising agencies and the photographers and music house which are his clients.

Vince Price
MBA '88

recently founded Dacor Fitness, an importer of medium to high-end cardiovascular fitness equipment. The company distributes the products through specialty retailers in the U.S., Canada, and Mexico. Vince, who lives in Brighton, Michigan, encourages section 5'ers to look him up if they are in the Ann Arbor area or if they are out of shape.

89 Steven F. Agran
BBA '89

writes that he graduated from Duke University Fuqua School of Business in May



Biking from San Francisco to Tiburon

This group of MBA '91 alumni pedaled from San Francisco, over the Golden Gate Bridge to Tiburon in northern California...17 miles in all! Not bad for a group of hard working Michigan B-school graduates. Pictured left to right: Katie (Webster) Raeder is a product manager for Glen Ellen; Jeff Castello is on his sales rotation with Eli Lilly; Amy Lauer is merchandising for the Old Navy division of The Gap; Andy Raeder is running Lombard Marketing/Be Puzzled in Hartford, and is president of a start-up medical technology company based in Ann Arbor; and Tom Perko is back from assignment in Africa with G.M. and is exploring options in Hawaii, the Silicon Valley, and a Washington, D.C.-based relief organization.

and is starting his own company, Rain Enterprises, Inc., which starts convenience stores for warehouse clubs in northern New Jersey. Look for "Your Local Warehouse Store"; the first store opening is scheduled for March, 1995.

Leandra Abbott
PUEP '89

assistant vice president of community relations and education programs at Consolidated Edison of New York, was recently honored with an award from the Caribbean Cultural Center during the Center's 8th annual tribute to African diaspora women. She was one of four prominent business and community women honored at the event, which salutes the achievement of women of color in all areas of life. The Caribbean Cultural Center is a leading, non-profit organization in New York City that since its founding in 1976 has produced educational programs documenting and celebrating the cultural heritage and significant contributions of people of African descent. Leandra is currently employed by Consolidated Edison Company of New York as assistant vice president of community relations and educational programs. Her department directs corporate affairs programs dedicated to strengthening the social, educational and economic vitality of the communities the company serves. Under her leadership, Con Edison has recently

increased its educational initiatives in such areas as mathematics, science, technology, literacy, and parental involvement.

90 Lynne (Brooks) Davis
BBA, MAcc '90

writes that after graduation she accepted a position in the tax department of Price Waterhouse in Detroit, then transferred to the Columbus, Ohio office in 1992. She left the firm in December, 1993 for a position in the internal consulting department of The Limited, Inc., where she is currently a manager. Lynne lives in Dublin, Ohio with her husband Jeff (Michigan BA, Political Science, '90).

Timothy L. Williams
BBA '90

is currently practicing labor and employment law with the firm of Constangy, Brooks & Smith in Atlanta, Georgia. After graduating from Michigan's Law School in 1993, Timothy took a one-year clerkship working for the Honorable William M. Acker, Jr. in the United States District Court for the Northern District of Alabama in Birmingham.

Cristina Vasconez
MBA and Master of Music '90

was promoted in September, 1994 to public relations director for the Atlanta

Symphony Orchestra., where she is responsible for promoting the orchestra both locally and nationally.

**91 Mark Brugger
MBA '91**

is now living outside New York City and working in the Catskills running an "intrapreneur" venture for Rochester Tel, soon to be renamed Frontier Communications. After a stint as part of the corporate marketing strategy staff in Rochester, Mark relocated to their property in the Catskills, where he also has family. In 1993, he started a long distance company from scratch with seed money from Rochester Tel and now runs a \$7.5-million enterprise with four franchises in New York, one employee, and a handful of contractors. Rochester Tel is still 100% owner of the business and Mark's company is a subsidiary named Visions Long Distance New York, Inc. He has had a lot of fun and experienced the most freedom and responsibility he has ever had in his career. He writes, "I certainly use all the skills, particularly organizational behavior and marketing, that I learned at Michigan." This fall, Mark was also given the same job for a start-up cellular operation in the Hudson Valley. With Nynex as a partner, Mark says, "we are the fastest growing reseller in the cellular system."

**David Propper
MBA '91**

writes that he joined the Peace Corps to work on the Small Enterprise Development Program in Ukraine. Through this program, the Peace Corps is assisting the Ukrainian people in their development of free market governmental systems and understanding of free market principles. After a three-month language and cultural training program in Kiev, David will move to his post in a city yet to be determined, a standard practice in the Peace Corps to test the volunteer's "flexibility."

**93 Terry Hamilton
MBA '93**

writes that the first 15 months after graduation have kept him busy. He married Debbie Root on July 10, 1993, and they bought their first home in Livonia, Michigan. He has been promoted from senior consultant to manager at Deloitte & Touche Management Consulting.

PHD Notes

**M. Lynn Spruill
Ph.D. '72**

has left teaching after 24 years in higher education. On October 1, 1994, she became executive director of Oregon's largest law firm which also has offices in Seattle, Boise, Salt Lake, and Washington D.C. She says that after years of teaching business, she thought it was time to "really try it," and thus far, it has clearly been the correct choice for her.

**Rajan R. Kamath
Ph.D. '88**

writes that his paper titled "A Second Look at Japanese Product Development" (co-author Prof. J.K. Liker) was published in the November-December 1994 issue of the *Harvard Business Review*. Another paper titled "The Supplier Role in Product Development: Are There Still Large U.S. and Japan Differences?" (co-authors Professors J.K. Liker, N. Wasti, and M. Nagamachi) won the Runner Up Best Paper Award from the Technology and Innovation Management Division of the Academy of Management in 1994. A third paper titled "Increasing Suppliers' Innovative Activities: The Use of Strategic Signaling to Enhance the Effectiveness of Governance Mechanisms" won the First Prize Best Paper Award from the Technology and Innovation Management Division of the Academy of Management in 1993. He is currently assistant professor of strategy and international business at the University of Cincinnati College of Business Administration.

Deaths

Dividend has just received word that **Margaret Lawlor Waterman**, BA '56, died December 3 in Georgetown, Texas. She was the widow of Professor Emeritus Merwin Waterman. News of her death was sent to us by her daughter, Ann Waterman.

Richard C. Caldwell, MBA '56, founder of the Ann Arbor real estate firm that became Caldwell and Reinhart, died in January, 1995 after complications from a long illness. Through the years he served on the city's planning commission, was a

Whirlpool Foundation Gift
(Continued from page 11)

The kinds of services provided by the Whirlpool MBA interns will vary. Generally, the objectives include developing organizational and community capacity to address human and economic needs by improving organizational structure, developing internal financial systems and controls, enhancing fund-raising and marketing capabilities, and increasing communication and collaboration among community nonprofit agencies.

The Business School will draw on local Whirlpool contacts to help identify and facilitate interaction with community nonprofit agencies located in cities where Whirlpool has a major presence. In those communities without a Whirlpool facility, the Business School will select the host organization with concurrence from Whirlpool.

During the first summer (1995), three Michigan MBAs will be selected in a competitive recruitment process. They will have at least 2-3 years of industry experience, a commitment to community service-learning, and a demonstrated ability to work in unstructured environments. In the subsequent two years, nine additional MBA interns will be placed in community non profit agencies, for a total of 12 Whirlpool Community-Service interns over the three year life of the Whirlpool Foundation grant.

The Whirlpool Foundation gift will also help to fund a full-time coordinator who will administer and orchestrate the internship process, and will provide both the interns and host agencies with support. A graduate student will serve as a research assistant for the interns, providing them with various data and information they require to carry out their projects, and providing other supportive services.

director of the Ann Arbor Chamber of Commerce, and taught real estate classes at U-M. While president of the Ann Arbor Board of Realtors in 1975, he helped set up a joint listing system for Ann Arbor and Ypsilanti. After retirement, he joined the commercial investment division of Merrill Lynch/Boomer of Sarasota, Fla., and joined the Sarasota Board of Realtors.

Roy John Rowland, BBA '54, died on August 16, 1994.

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.

The University of Michigan, as an equal opportunity/affirmative action employer, complies with all applicable federal and state laws regarding nondiscrimination and affirmative action, including Title IX of the Education Amendments of 1972 and Section 504 of the Rehabilitation Act of 1973. The University of Michigan is committed to a policy of nondiscrimination and equal opportunity for all persons regardless of race, sex, color, religion, creed, national origin or ancestry, age, marital status, sexual orientation, disability, or Vietnam-era veteran status in employment, educational programs and activities, and admissions. Inquiries or complaints may be addressed to the University's Director of Affirmative Action and Title IX/Section 504 Coordinator, 4005 Wolverine Tower, Ann Arbor, Michigan 48109-1281, (313) 763-0235, TDD (313) 747-1388. UM Information Operator: (313) 764-1817.

Calendar

FEBRUARY 28

Business School Society of New York
Speaker: Paul Bernard, President, Paul Bernard & Associates,
"Career Strategies for the 1990s"

MARCH 3

Alumni Board of Governors Spring Meeting, Ann Arbor

MARCH 6

McInally Lecture Series, Ann Arbor
Speaker: C. K. Prahalad, Harvey C. Fruehauf Professor of Business Administration & Professor of Corporate Strategy and International Business

MARCH 10

Visiting Committee Spring Meeting, Ann Arbor

MARCH 31

3rd Annual Women's Forum, Ann Arbor
Keynote Speaker: Elaine Ullian, MPH '73, President & CEO, Boston University Medical Center Hospital

APRIL 7

Scholarship Dinner, Ann Arbor

APRIL 19

Business School Society of New York
Speaker: David Alger, MBA '68, Executive Vice President, Fred Alger & Company, Inc. Event is jointly sponsored by the Harvard Business School Club of New York.

APRIL 21

Corporate Advisory Board Spring Meeting, Chicago

MAY 11

University of Michigan Club of Cleveland
Speakers: Michael White, Mayor of Cleveland, and Steve Grafton, Executive Director of the University of Michigan Alumni Association

JUNE 9

3rd Annual European Symposium, Paris, France
Speaker: Noel Tichy, Professor of Organizational Behavior and Human Resource Management and Director, Global Leadership Program

JUNE 23

Emeritus Reunion, Ann Arbor

OCTOBER 27 - 28

Reunion Weekend, Ann Arbor
For the classes of 1970, 1985, and 1990

Off to a Good Start

The early stages of growth are critical to a new endeavor. So when the DuPont Company provided funds to move CEMP, the Corporate Environmental Management Program, from the "seed stage" to the "growth stage," it helped ensure that the program would thrive.

CEMP, a joint program between the Business School and the School of Natural Resources and Environment, enables business students to become better informed about environmental issues, and natural resources students to achieve greater understanding of the business world. The program takes leadership in addressing the complicated interdisciplinary issues involved in solving environmental problems.

DuPont's gift helped to nurture the fledgling program, and is a good example of the way in which a corporation, in partnership with the Business School, can add value to the greater community. "We believe that environmental stewardship and education are simply good business," notes DuPont Automotive Vice President Louis F. Savelli.

If your company is interested in teaming up with the Business School, we invite you to contact Peggy Carroll, Director of Corporate Development, at (313) 763-5775.



CEMP

*Corporate Environmental Management Program
The University of Michigan*



Louis F. Savelli (center), Vice President and General Manager, DuPont Automotive, is pictured with Business School Assistant Professor Stuart Hart (left), CEMP Director; and Susan Svoboda, CEMP Manager.

Office of Alumni Relations
School of Business Administration
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Ann Arbor, Michigan 48109-1234

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ALUMNI REUNION WEEKEND, 1994



Gregory Fox



Gregory Fox

◀ Members of the class of '89 returned to campus for their fifth reunion in October. Pictured gathered around the piano are: Margie Mordy, second year MBA student who is president of Global Blue; Jane Okun, MBA '89, manager-finance, Northwest Airlines; Linda Lim, adjunct associate professor of international business; Rajiv Gogia, MBA '89, consultant with Andersen Consulting; Dave Whetstone, joint degree graduate who received his MBA and his master's in Asian studies in '89 and who is now manager of business development operations for Air Touch Communications; and Jeanne Wilt, MBA '89, director of alumni relations at the Business School. At the piano is Sam Davis, U-M student at the School of Music, who frequently performs music from a wide variety of Broadway musicals. He provided entertainment for the Alumni Dinner in the Executive Residence.

◀ The Reunion Gift Committee for the classes of 1969 and 1984 included (left to right) Ron Johnson, BBA '69, president of Rackson Corporation in Cresskill, N.J.; Ken Corba, MBA '84, portfolio manager for Stein Roe & Farnham; Doug McClintock, MBA '69, managing partner, Arthur Andersen & Co.; and Beth Walker, MBA '84, co-director of computing services at the Business School.