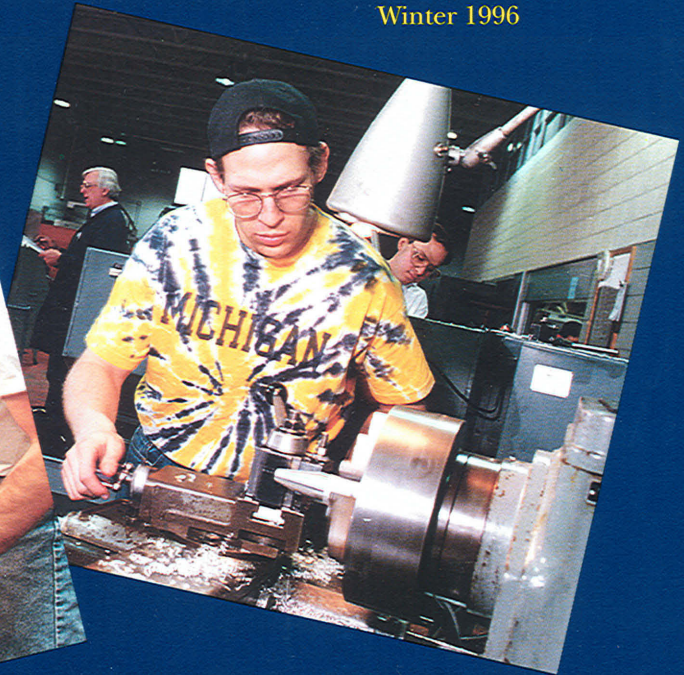
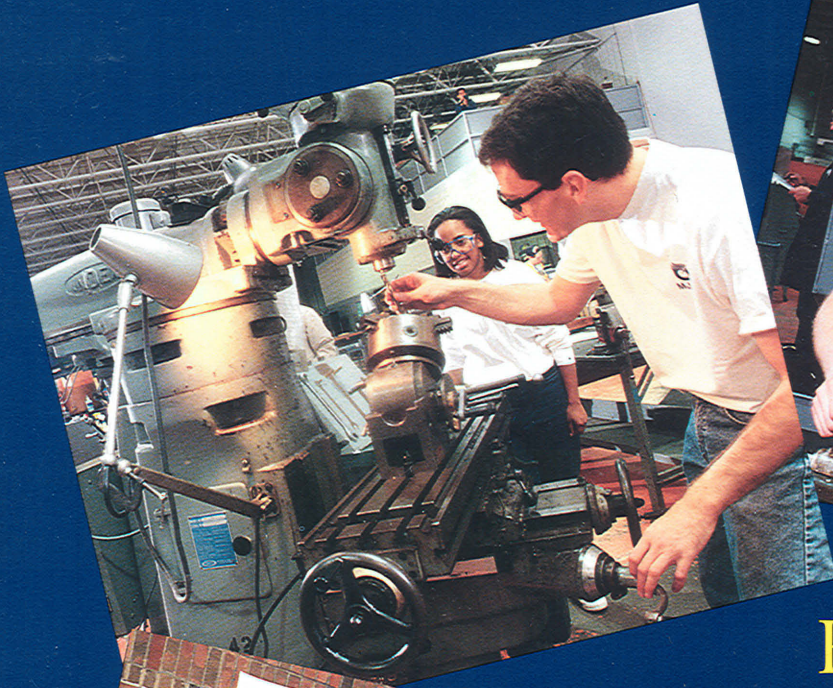


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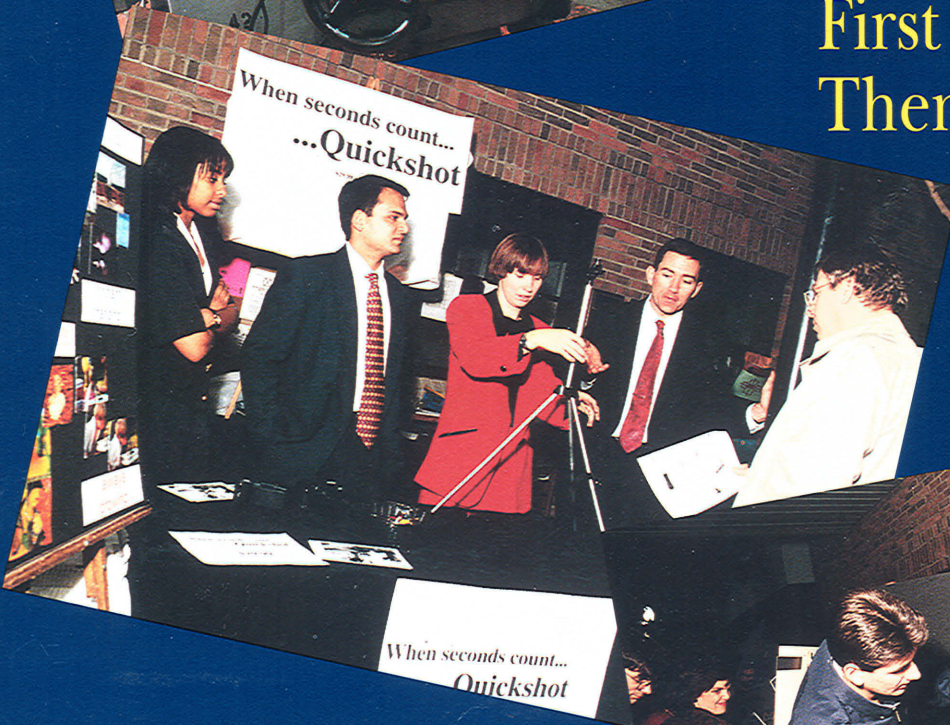
University of Michigan Business School

Winter 1996



First You Make It
Then You Sell It

*Introducing an
Experimental
Class in New
Product Development*





The image shows a screenshot of the University of Michigan Business School website. On the left, there is a photograph of a large, multi-story brick building with a clock tower, set against a blue sky with light clouds. The text "University of Michigan Business School" is overlaid on the top left of the image. On the right side of the image, there is a circular seal of the University of Michigan, featuring a central figure and the text "THE UNIVERSITY OF MICHIGAN" and "1817". Below the seal is a vertical navigation menu with eight yellow buttons, each containing a link label in black text: "Alumni Connection", "Company Connection", "Degree Programs", "Executive Education", "Faculty Expertise", "Resources & Facilities", "University Home Page", and "What's New".

World Wide Web Address: <http://www.bus.umich.edu>

Check Us Out

It might well take a week of phone calls as well as numerous visits to the School to access the wealth of information now available by accessing the home page of the University of Michigan Business School (<http://www.bus.umich.edu/>). There you can find information about the admissions office, executive education programs, office of career development, the William Davidson Institute, the Tauber Manufacturing Institute, the BBA program, the Global MBA, and our curriculum. And with the Web's ability to link documents together through words and pictures, any piece of information is easy to find. Many of the documents, brochures, and bulletins about programs are also available for downloading.

An exact copy of the admissions application can be seen and downloaded to your computer, if you so desire. An interview with Dean White about the current state of the School is available for reading, as

is an interview with Professor Joel Slemrod, director of the Office of Tax Policy Research, about the pros and cons of the flat tax.

Dividend is also available through the alumni section of the home page. There you can write a letter to the editor, change your address, or contribute a "Class Notes" item. Excerpts from the current issue are also on-line at that site.

Tom Shaheen, computer systems consultant in Computing Services at the School, designed and produced the Web Site, working with BBA students Rich Blank and David Cole. Using Microsoft Word, Adobe Acrobat, scanners and a digital camera, the team put the entire site together in about six months. Shaheen tells us that more than 25,000 people have accessed the site, and more than 500 admissions applications have been downloaded — all this before any formal announcement has been made of the site's existence.

The Business School student newspaper *The Monroe Street Journal*, is now also being published on-line (<http://www.umich.edu/~msjrn1>), as is detailed information about the city of Ann Arbor (<http://online.ann-arbor.mi.us/ann-arbor/online.html>). The University of Michigan and the U-M Alumni Association also have home pages on the Internet (<http://www.umich.edu>).

A Classroom on the Web

Francine Lafontaine, associate professor of business economics, has introduced a home page for her MBA core economics class. As an experiment, she created a "Web classroom" to organize and make available all class materials to students.

"I think that there is value-added in the way information can be

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Margins Really Matter

An experimental course in new product development, offered under the auspices of the Tauber Manufacturing Institute, gives students insight into both business and manufacturing.

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A Lot Can Happen in 25 Years

Two highly accomplished graduates of the MBA class of 1970 were at the Business School in the fall and talked to students about their interesting and distinguished careers. So what did they say?

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Home Sweet Home

Business School students raised the money and provided the labor to build a Habitat for Humanity house in Ann Arbor. At Christmastime, the house was dedicated and the Thomas family moved in.

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Business School Launches Daewoo Executive Program

This new program will offer directors of the 25 companies that comprise the Daewoo Group a condensed version of the education the Daewoo MBA students are getting in the Global MBA program.



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A Place for Lucrative Introductions

Money looking for a place to go meets innovative companies at the annual Growth Capital Symposium.

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Customer Satisfaction: Are U.S. Companies Moving in the Wrong Direction?

A new national scorecard of customer satisfaction, originated at the U-M Business School, is flashing a warning. Overall, U.S. companies lost points last year.

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About the Cover



Pictures on the cover show students participating in a new experimental course that requires teams of business and engineering students first to design and manufacture a consumer product, and second, to compete against other student teams in marketing the product to actual customers.

The top two photos are by D.C. Goings and the bottom two are by Gregory Fox.

Dean: B. Joseph White, Associate Deans: Edward A. Snyder, George Siedel III, Janet A. Weiss

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

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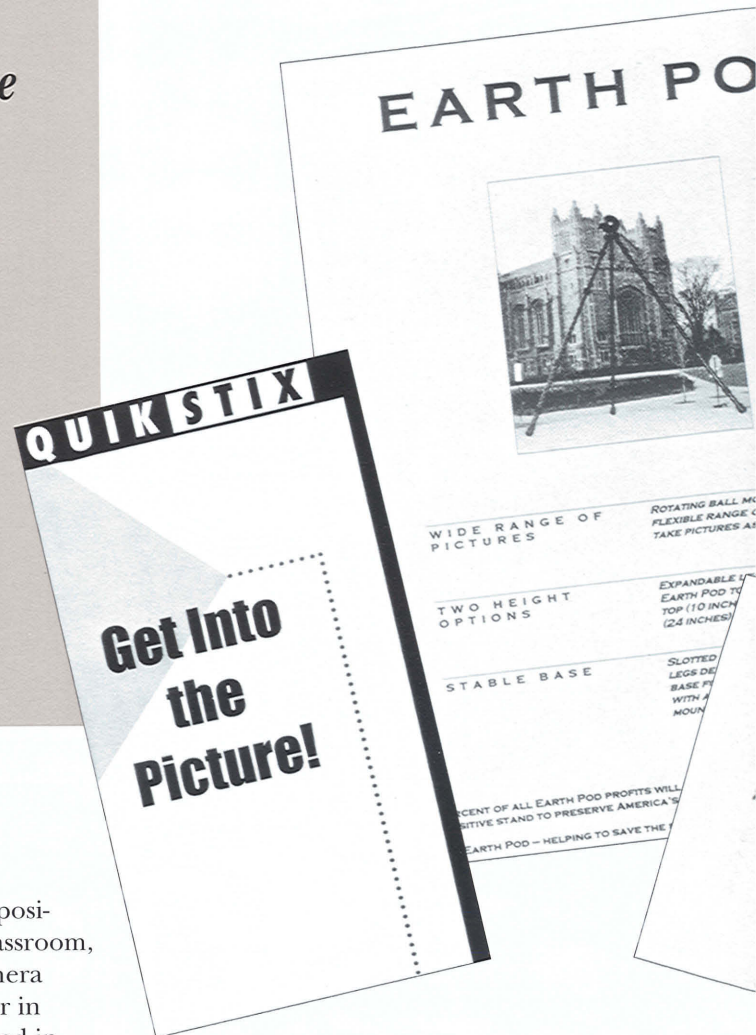
Recycled paper in the spirit of conservation.

Margins Re

*Experimental Course
in New Product
Development Gives
Students Insight
into Both
Business and
Manufacturing*

Professor William Lovejoy is positioned on all fours in his classroom, the better to examine a camera mount standing on the floor in front of him. "Are these things hinged in there?" he asks, pointing to a particular spot as he manipulates the camera back and forth on the mount.

The students who have manufactured the camera mount look thoughtful. "We may delete that feature owing to cost considerations," they say. "Okay," says Lovejoy. "In mass production, you'd be better off avoiding machining." He looks at the product from all sides. "Every dime you drive out of this is money in the bank," he muses. "Margins really matter."



This conference between Lovejoy and a student team is taking place at the "design review" phase of an experimental course in New Product Development, offered under the auspices of the Tauber Manufacturing Institute (TMI). The course requires teams of business and engineering students to design and manufacture a consumer product, and then compete against other student teams to market the product to actual customers. The course is team-taught by Lovejoy, professor of operations manage-

ally Matter

QUICK SILVER

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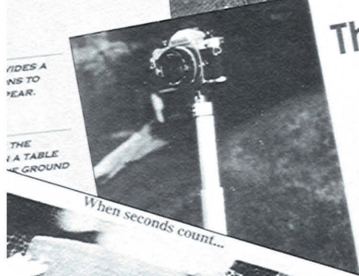
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◀ A collection of the brochures created by students to market their camera mounts to community people attending the Trade Fair.

level of engineering complexity. It could also be produced by the students on the machine tools at Washtenaw Community College in the limited time allowed, and was a consumer product that ordinary customers could relate to.

On this particular evening, student teams are meeting individually with the professors. The window in the classroom door is blocked, so that no team can see any other team's product. During the meeting, students hand in engineering drawings of each part in the prototype product, process sheets that describe

how each is manufactured and assembled, and supporting cost estimates.

"This can be molded a lot easier than it can be machined," says Lovejoy, moving around so he can see the camera mount from different angles. "If you have to machine it, you lose the margin on that. Going with standard parts is a great idea — it takes your costs down." He stares intently at the product. "You might want to show this to people, to see how they react. You want to work the cost out of it, and put style into it."

"We're very attached to it — to the shape of it," offers a student.

"But," says Lovejoy, "you can get so attached to it, you can't see it any more."

"We thought the shape was cool," says another student, "but the focus groups didn't like it. They wanted something taller and skinnier." ▶

ment at the Business School, and James Bean, professor of industrial and operations engineering at the College of Engineering.

The two faculty members assigned the student teams to develop a portable camera mount because it's a product that demands a good combination of functionality and appearance combined with a reasonable

"It's important to pay attention to what people think of the aesthetics," says Lovejoy. To which the team responds, "That comes after it works!" "Yes," agrees Lovejoy, "but it's also got to look right."

This course is one more example of the "action learning" that has become an important part of the curriculum at the University of Michigan Business School. It also is a powerful example of a "partnering

mindset." In this case, Lovejoy and Bean, who themselves represent the partnership between the Business School and the College of Engineering, also brought into the class Shaun Jackson and Jack Williamson, adjunct professors at the School of Art, who consulted with teams on matters of design, materials and process, and delivered several class sessions on industrial design methods. Another participating faculty member was Tom Granzow, an industrial designer with an MBA, who delivered a class session on industrial design methods and participated in the design reviews. He and other members of Sundberg-Ferar, a product design and development firm in Southfield, Mich., made themselves available to consult with teams. Dennis Miller of Quorum, Inc. also met and consulted with student teams.

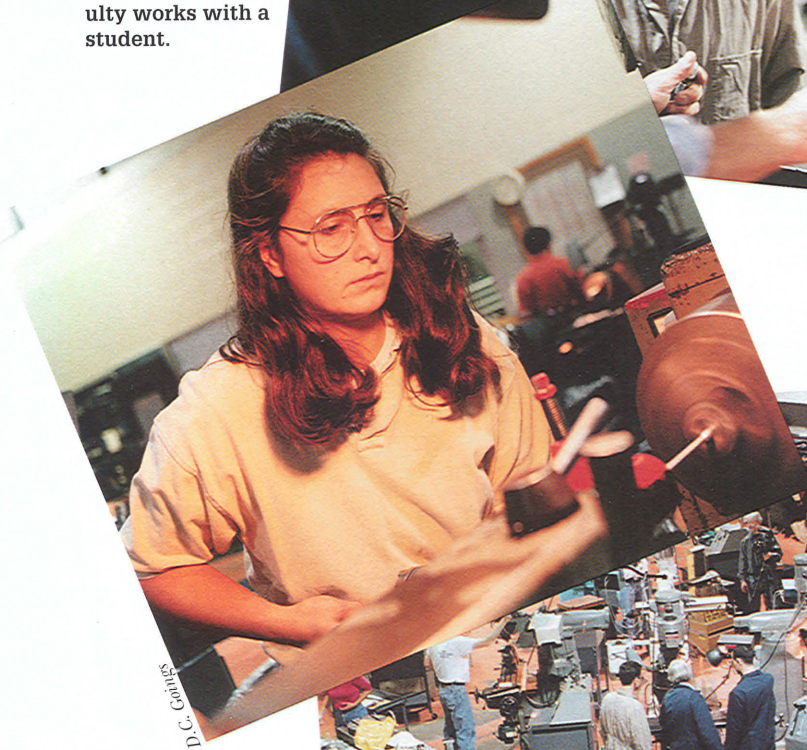
Another vital partnership was forged with Washtenaw Community College, whose faculty members Les Pierce, Dean Avery, Roger Dick, Jeff Donahey and Gary Schultz, delivered instruction in prototyping and craftsmanship to students as they manufactured the camera mounts. The machine shop at Washtenaw Community College was made available to student teams at specified times, and the Washtenaw faculty helped them learn the skills involved in machining and milling. Such "hands on" learning is highly important in teaching students some of the manufacturing considerations crucial to a successful product. Students also had Boothroyd-Dewhurst software available to them, which allowed them to estimate the actual costs to manufacture, using a variety of alternative processes and materials.

"I've wanted to do a course like this for ten years," says Lovejoy, adding that the need for such a course became clear to him at Georgia Institute of Technology (where he was an assistant professor in the business school from 1984-87). "I could see then that most MBAs didn't know what it takes to actually manufacture something, and most engineers didn't know the

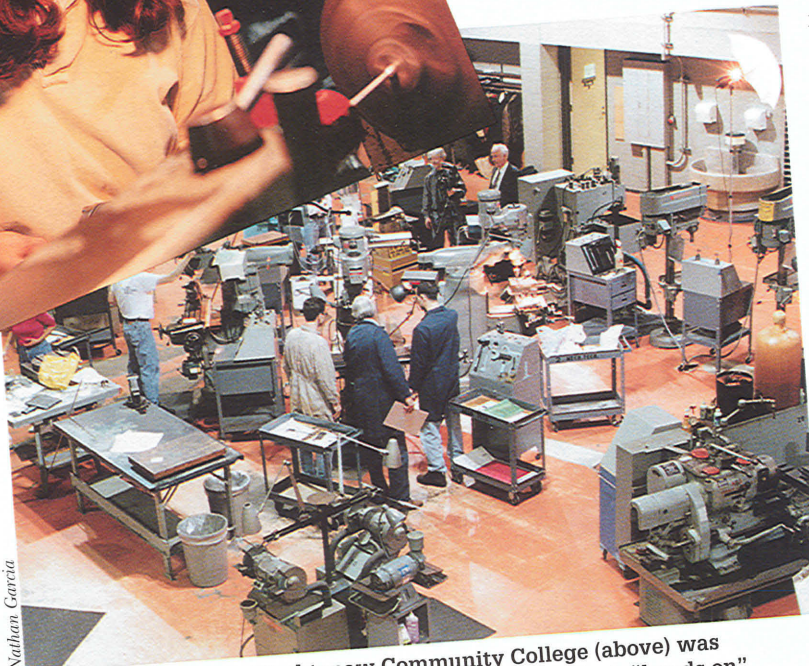
A vital partnership was forged with Washtenaw Community College, whose faculty helped students learn skills involved in machining and milling. Pictured right, Roger Dick of the Washtenaw faculty works with a student.



D.C. Goring



D.C. Goring



Nathan Garata

The machine shop at Washtenaw Community College (above) was made available to student teams at specified times. Such "hands on" learning is highly important in teaching students some of the manufacturing considerations crucial to a successful product.

constraints placed on them by the economic context. Product development is the perfect vehicle for bringing these two cultures together.”

Such a marriage of business and manufacturing is the premise behind the Tauber Manufacturing Institute (TMI), which aims to overcome the traditional long-standing separation between the two fields. TMI students are drawn from both worlds, and the curriculum develops a new breed of executives who combine advanced capabilities in both engineering and business management.

Lovejoy, who has a bachelors degree in industrial engineering and a masters in nuclear engineering from Cornell as well as a Ph.D. in operations research from the University of Delaware, initiated a similar course at Stanford when he joined the faculty there, and when he came to Michigan in 1994, one of his goals was to continue and refine the concept.

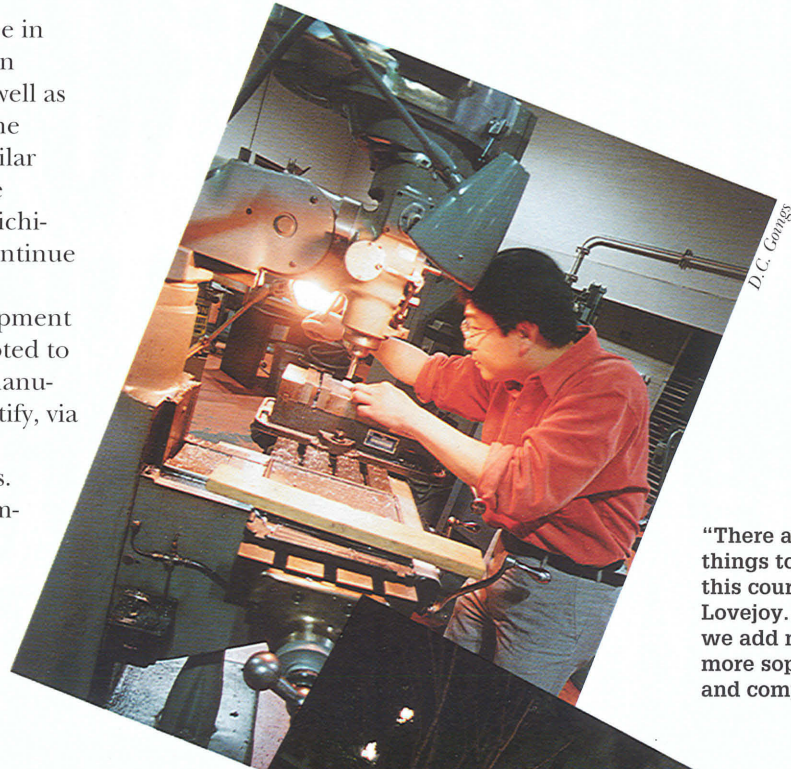
The course in New Product Development begins with a seven-week module devoted to market research and the practice of manufacturing. Students learn how to quantify, via conjoint analysis, the trade-offs that consumers make in choosing products. Each team surveys 30 potential consumers, and the aggregate results of these surveys are used to build a market simulator. During this time, students also receive structured instruction on general purpose machine tools (safety, lathes and mills, CAD and NC machining) at Washtenaw Community College.

In the second seven weeks, students learn about the basic capabilities and economics of alternative materials and manufacturing process selections. Topics include materials selection and costing, manufacturing process (e.g. machining, injection molding, etc.) selection and costing, forecasting, pricing, and inventory stocking policies. Students are graded on the profitability of their product and their team participation, as well as individual creativity, attention to detail, and mastery of processes.

“There are *so* many things to juggle in this course,” says Lovejoy. “Each year we add more and more sophistication and more and more complexity.” Lovejoy and Bean are now working on “modularizing” the course, so that several faculty members can teach different sections, thus reducing the highly

labor intensive aspect of the course as it is currently configured.

The culmination of all this effort was visible on November 29, when students marketed their products to several hundred people from the community at a Trade Fair. Those who attended entered the wide atrium of one of the engineering buildings on campus to be greeted by eight different booths, six of which were adorned with balloons, picture displays, promotional signs, and enthusiastic students ready to give visitors information on why their



“There are *so* many things to juggle in this course,” says Lovejoy. “Each year we add more and more sophistication and complexity.”



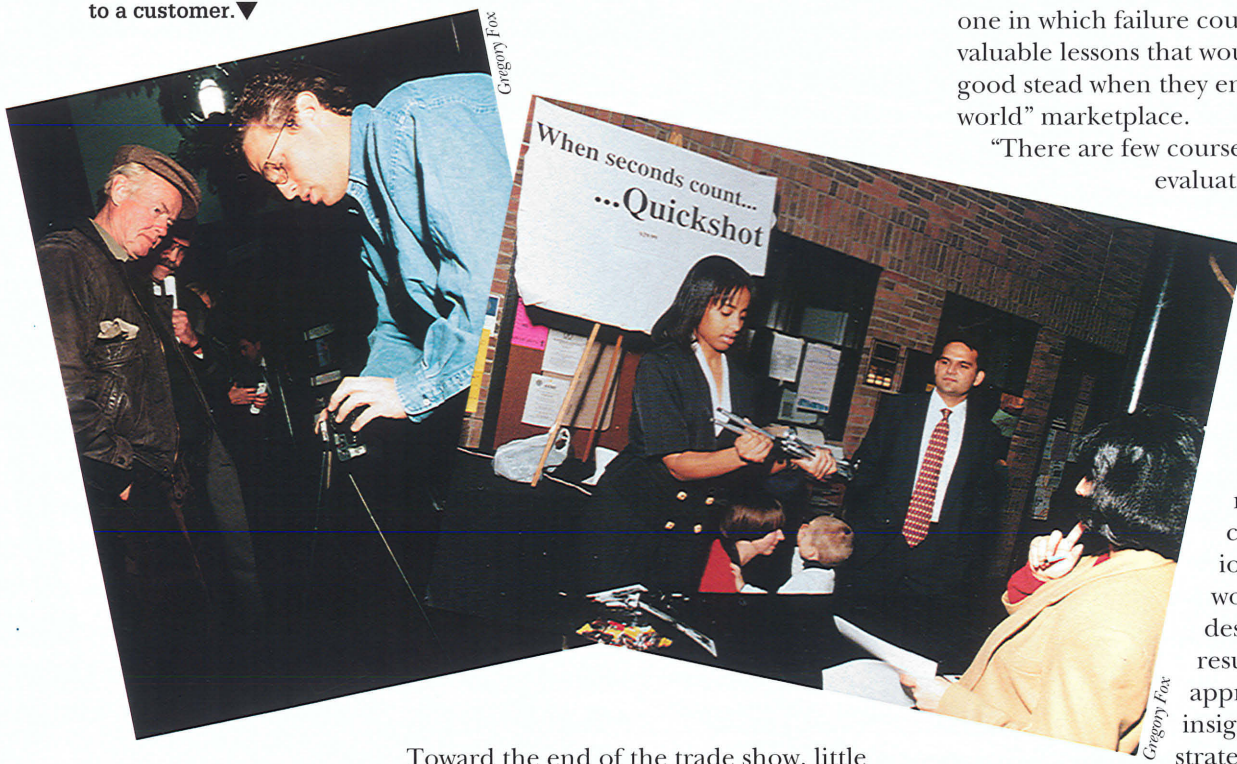
particular product was superior. “Get into the picture!” proclaimed a sign on one student booth, marketing a product called “Quik Stix” (Two free rolls

of film with purchase!). “Earth Pod” (\$24.95) offered two height options as well as promising two percent of all Earth Pod profits to the National Wildlife Federation. That booth was decorated with balloons and offered a raffle of a free T-shirt. The low end of the price scale was occupied by “Quick Silver” (only \$17.49) which came with its own carrying bag and would fit in a pocket or a glove box. It also had independently adjustable legs which allowed it to adapt to uneven surfaces. The “Quick Shot” (\$29.99) booth had chocolate available as well as a lifetime guarantee. “When seconds count . . .” said its promotional material, explaining to customers what a quick setup time it offered.

Two tables were barren. No brochures. No balloons. They contained two standard commercial camera mounts currently available through stores or catalogs.

Guests roamed the trade show, speaking with students, taking notes, listening to the sales pitches, and giving feedback on the product designs. Many guests had participated in focus groups the students had initiated as part of their market research.

At the Trade Fair, one student demonstrates the special qualities of “Quickshot,” while another works on selling his team’s design to a customer. ▼



Toward the end of the trade show, little groups of guests were to be seen sitting on the benches conferring about the products or filling out the feedback forms on which they were asked to rank (from one to eight) their product preferences. They were told to

assume they would buy a camera mount that night and then to make an objective assessment as to which their favorites would be if they had to choose among these eight products at their declared prices (thus the two commercially available products were also in the competition). Guests were asked to register their own personal preferences for the products, regardless of how well they thought each product would do in the real market. The fraction of respondents who chose each product would represent that product’s simulated market share.

At the feedback session following the trade fair, students learned that one team had overstocked by almost \$1 million, making the importance of the inventory decision obvious. All the student teams beat the commercial products on market share, but the one achieving the most market share (24%) was Quick Silver (\$17.49). “One Touch,” which at \$65.00 aimed at the high end of the market, achieved the greatest profitability (\$1.7 million) on a market share of 15%. Student teams whose products did not do well were still enthusiastic about the course, emphasizing how much they had learned. The environment, they said, was one in which failure could teach them valuable lessons that would stand them in good stead when they entered the “real world” marketplace.

“There are few courses in the country that evaluate the final product

along the critical dimensions of satisfying real people with fully functional products at affordable prices,” said Lovejoy, who also plans to do research on the data collected from various design teams working through a design process. “The results of this hands-on approach offer many insights into the critical strategic value of design management and cross-

disciplinary training, as well as developing in all students an ability to work in teams of combined management and engineering expertise.” ■

Introducing the New CEMP Advisory Board

*The Corporate Environmental
Management Program Has Appointed
a Board Whose Members Reflect
the Program's Variety*

"We are especially pleased with the mix of expertise on our new Advisory Board because it reflects the three different tracks that we see people following in the Corporate Environmental Management Program (CEMP)," says Professor Stuart Hart, director. He explains that one track consists of jobs in corporations; another encompasses jobs in environmental groups and non-governmental organizations; and the third consists of consulting, either in a regular consulting firm or a firm specializing in environmental consulting.

All of those fields are represented on the current Advisory Board, which held its first meeting in September at the Business School. Members heard presentations about the teaching and research agendas of CEMP and reports from students about their backgrounds before entering the program, their internships, and placement possibilities. The day ended with a discussion of emerging issues in the further development of CEMP.

"The environment is now offering business opportunities to innovators in the field," said Professor Hart, "as well as a quagmire of costs and liability for the laggards. Indeed, it is likely that competitive advantage in the coming years will be rooted in practices such as pollution prevention, design for the environment, life-cycle costing, risk assessment, and sustainable development."

The Corporate Environmental Management Program (CEMP) was created by the University of Michigan Business School and the School of Natural Resources and Environment to equip executives, managers, and environmentalists with the skills and knowledge necessary to create environmentally and economically sustainable organizations. Executives and managers now must consider the environmental impact of their decisions, and environmentalists need business savvy and economic expertise to keep their own enterprises afloat and to address the thorny economic issues that are an inevitable part

of environmental problems.

“CEMP is a truly integrated program,” commented Dean B. Joseph White. “It looks for opportunities where focused intellectual leadership would make a difference, and brings that leadership to the program, both through a shared research agenda and by careful thinking about the curriculum.”

Students in the CEMP program complete one year of required courses at each of the two schools. The third year is comprised of CEMP courses specifically designed to address issues of environmental management,

along with electives that integrate environmental management issues into existing classes and traditional topics. Other elements of the program include executive education, summer internships, research projects, seminars by visiting practitioners, conferences on emerging environmental topics, and the ongoing Nathan Lecture Series in Corporate Environmental Management.

Pictures of some of the Advisory Board members who were present at the first meeting are below. In the box at right, the names and titles of all members of the Board are listed.

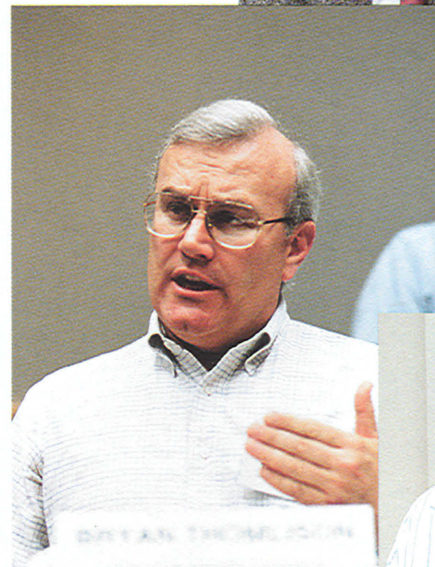
Ralph Earle, now director of the Alliance for Environmental Innovation of the Environmental Defense Fund, and formerly a consultant with Arthur D. Little in their environmental management practice.



Alex Pollock (left) who is in charge of the Michigan Division of the Environment, Health and Safety for Dow Chemical, and James Kelly, chairman of Gemini Consulting, who is in the midst of launching a practice area in the field of strategic environmental management. During his time here for the Board Meeting, Kelly also gave a talk to business students, which was co-sponsored by CEMP and the Student Consulting Club.



John Begley, strategic planning director for Weyerhaeuser, a company which has made significant investments in recyclable fibers, along with doing considerable thinking about sustainable forestry.



Bryan Thomlison, director of public affairs for Church & Dwight Co., Inc. His background is in marketing/communications and he has worked extensively on the issue of stakeholder involvement in environmental issues.



David Rae, vice president of environmental science at Dupont, talks with Susan Svoboda, former CEMP manager.



Irv Salmeen, manager of the chemistry department at Ford Motor Company, is pictured with fellow board member Peter Beardmore, director of the chemicals and physical sciences lab at Ford. Both men work on the environmental impact of the automobile.

Professor Stuart Hart, director of CEMP (right), talks with Scott Noesen, Manager of Environmental Performance at Dow Chemical, where he works on life-cycle analysis at the product level and is involved with product stewardship. ▼



▲ Paul Shrivastava, professor of management at Bucknell, who is also editor-in-chief of *Industrial Crisis Quarterly*. He and Professor Hart are research collaborators.

Photos by Gregory Fox

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MBA Class of 1970

A Lot Can Hap

Roberto de Ocampo, MBA '70, a black belt in karate, was recognized at age 29 for his role in establishing the rural electrification program of the Philippines — now he has been chosen Finance Minister of the Year by *Euromoney* magazine.



Gregory Fox

***Euromoney* Magazine Chooses Philippines' Roberto de Ocampo Finance Minister of the Year**

Roberto de Ocampo, MBA '70, Finance Minister of the Philippines, has been selected Finance Minister of the Year by *Euromoney* magazine. Under the headline, "De Ocampo's Healing Touch," the magazine explains that de Ocampo's economic reforms have cured inflation, healed the budget deficit, and even made the capital markets look healthy again.

De Ocampo is the first Filipino to receive the *Euromoney* award, considered very prestigious in the international financial community. He was selected by an international panel from among all finance ministers worldwide. The prize was presented to him on October 9,

Continued on page 12

pen in 25 Years



Steve Sanger is Chairman and CEO of General Mills, a \$9 Billion Food Company

Steve Sanger, MBA '70, chairman and CEO of General Mills, started his talk in Hale with reminiscences about the School 25 years ago. The electronic calculator hadn't been invented then, he reminded the students, and neither had the personal computer. People came for the MBA right out of undergraduate school (unlike today, when students as a rule have several years of working experience), and accounting was the career of choice.

"We had a lot on our minds then," he said, citing as a major example the lottery dates for the draft. "Every student was either an ex-service person, a female (very few were female) or worried about

Steve Sanger, MBA '70, wanted to own the best bar in Ann Arbor 25 years ago — instead he became CEO of a \$9 billion food company.

Both de Ocampo and Sanger came to the U-M Business School in October, and both talked to students about their interesting and distinguished careers. So what did they say?

Continued on page 13

De Ocampo continued

1995 in the presence of finance ministers and central bank governors from all over the world who were attending the joint annual meetings of the International Monetary Fund in Washington, D.C. Following that meeting, Secretary de Ocampo journeyed to Ann Arbor to attend the 25th reunion of his MBA class.

According to an article in the September, 1995 issue of *Euromoney*, de Ocampo has won respect by presiding over perhaps the least expected recovery of an Asian economy. He has shown the outside world that the freewheeling system in the Philippines can work. Not only that, his reforms are also propelling the Philippines' capital markets towards the standards of a G7 country. During a *Euromoney* magazine interview, he said, "I'm looking in capital markets reform at something that will encourage the mobilization of domestic savings by the introduction of such items as mutual funds, domestic bonds, the encouragement of provident funds, etc. At the same time, I (want to be) able to continue to attract investments from abroad, making the Philippines an interesting investment destination for international finance managers." He expanded on his views and answered questions from business students during his visit to Ann Arbor, when he spoke at a special meeting arranged by the International Business Club.

De Ocampo's record on the economy speaks for itself: the Philippines is no longer the sick man of Asia, explains the *Euromoney* article. The government achieved its first budget surplus since the 1970s and has met all its fiscal performance targets. Inflation is in single figures and is on course to meet the IMF's revised target of 7.5% for the year.

Many Philippine bankers say de Ocampo's personality suits his job perfectly. "He draws a fine line between being open and never forgetting that he belongs to a highly proactive and regulatory organiza-

tion," says one local market participant. While de Ocampo is very much a team player, he is also a tough opponent. He has a black belt in karate, and the very mention of playing golf with him terrifies senior bankers: "I'd hold on to my wallet rather than play Bobby," says Roman Azanza, president of Crosby Securities and chairman of the policy-setting Capital Markets Development Council. And Rafael Buenaventura, president of PCI Bank and of the Bankers Association of the Philippines, quips, "He doesn't just win because he's our regulator."

De Ocampo has been intimately involved in the process of reform,



attending every meeting of the Capital Markets Development Council and working as part of a team that has concentrated on detailed plans to revive markets that are governed by laws drafted over 30 years ago. He has also been instrumental in setting up a central depository run by the Philippine Stock Exchange, which will herald scripless trading, eliminate clearing and transfer risk and reduce the settlement period from the current 28 days. Domestic bond market reforms are also underway, pending changes to the tax structure, according to the *Euromoney* article.

Fiscal reforms have been a cornerstone of de Ocampo's economic policy. A tax reform bill covering income and business taxes will lead to tax rates being cut. "It

speaks well of him that he's willing to try something new to widen the tax base and increase collection," says Buenaventura. "His method has not been confrontational but persistent." De Ocampo has also had a hand in banking reforms, and has been a leading advocate of deregulation, and private sector funding of public infrastructure projects.

Past winners of the Finance Minister of the Year award have included Edouard Balladour of France, who later became prime minister; Domingo Cavallo of Argentina, who is presently his country's highest ranking minister; James Baker, former secretary of treasury and secretary of state of the U.S.; Turqut Ozal of Turkey who became prime minister and then president; Nigel Lawton of the United Kingdom who went on to the House of Lords; Philippe Maystadt of Belgium who was briefly deputy prime minister; and Paul Keating, prime minister of Australia.

This is not the first award for de Ocampo, who was chosen one of ten outstanding young men at age 29 in recognition of his role in establishing the rural electrification program of the Philippines. He was also the youngest vice chairman and chairman of the Development Bank of the Philippines, and it was during his tenure as chairman that the DBP garnered numerous awards, including international recognition as the world's second soundest bank.

But in an interview with him published in *Asiaweek* of October 20, 1995, the headline announced, "No Letup for an Architect of the Philippine Turnaround." The magazine asked de Ocampo if there was anything to worry about? "The word is not *worry*," he replied. "We have to be more alert, now more than last year. We have to sustain momentum. Malaysia has had eight years of sustained growth. We have had only two. We can do it a third year. We should identify the remaining structural bottlenecks and not be distracted from creating wealth so more can be distributed. It is not yet time to party." ■

Sanger continued

the lottery," he said. "Bigness was still in vogue. Big cars, big computers, big companies with everything vertically integrated. Those were the days of whoppers — 'the bigger the burger the better the burger.'"

"I didn't care for business," he confided. "My personal passion was 'doing things.' I booked concert acts. I put money down and then waited to see if enough people signed up for the concert to pay off the debt. And my real deep desire was to own the best bar in Ann Arbor."

After graduation Sanger joined Procter & Gamble, where he worked for three years before taking a job at General Mills, where he has managed most of the company's biggest brands. Before being elected executive vice president in October, 1991, he served as president of the Big G Division, president of Yoplait USA and general manager of the New Business Development Division. In 1992 he was elected vice chairman of the General Mills board of directors. He became president of the company in 1993 and chairman and CEO in May, 1995.

According to a Sept. 28, 1995 article in the *Wall Street Journal*, General Mills today is a "trimmer, more focused food maker, with new top management, a reorganized sales force and manufacturing plants where engineers liken themselves to race-car pit crews." The *Wall Street Journal* goes on to explain that for shareholders, the rejuvenation couldn't come soon enough. In the two years before Sanger took over, the price of the stock had sunk from the mid-70s to the high 40s, and earnings followed the same path.

The company has now spun off its \$3 billion Red Lobster and Olive Garden restaurant subsidiary, which

had represented 35% of total sales but only 21% of General Mills's operating earnings in fiscal 1994.

"We don't want to be the world's biggest food company," Sanger told the students, "but we do want to be a leader in innovation. In order to generate innovation, we do several things. First, we *ask* for it from our employees; second, we recognize and reward it; third, we recognize that perfection is not the goal — getting something started is the goal. The first idea may not be good, but it



Sanger showed slides to the students illustrating the ways General Mills is expanding into international markets.

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may be second cousin to an idea that is very very good. Fourth, we want to have big hairy audacious goals — stretch objectives where we try to do something that we don't know how to do; or think of new ways to do things that will meet that standard."

Meanwhile, Sanger is busy improving brands, working on productivity improvements, and pushing for rapid growth. Last year international sales accounted for 14% of the total. But the company is working on creating a "nimble and effective web of food companies that can take our

products world wide," said Sanger. A series of joint ventures with knowledgeable partners has given Mills the infrastructure, knowledge and distribution channels to expand into international markets. Cereal Partners Worldwide, a joint venture formed with Nestle in 1990, has made significant in-roads on Kellogg's dominant European position. In 1991, Mills and PepsiCo. merged their international strengths to create Snack Ventures Europe, which is currently an \$830 million business, and by the year 2000 is projected to earn \$2 billion. The company's latest joint venture is with CPC International; International Dessert Products has put Betty Crocker on local store shelves in South America. General Mills has a goal of earning 25% of its revenues from outside the U.S. by the end of the decade.

Accompanying Sanger on his visit to the University of Michigan Business School were several alumni, including Wayne Hamilton, MBA '95, assistant marketing manager of the Gold Medal Division; Steve Marlowe, MBA '94, John Starkey, MBA '95, and Karen

Wisham, MBA '95, all assistant marketing managers for Snacks Unlimited; Karen Buczek, MBA '94, assistant marketing manager of the Big G Division; and Kelly Woodley, MBA '95, assistant manager of recruitment.

Sanger concluded his talk by telling the students, "I found a job even more fun than being CEO of the best bar in Ann Arbor. Things don't always turn out as you had planned . . . sometimes they turn out better." ■

Monique Thomas and her three children, Alicia, Tamika and Richard, are pictured with second year MBA students Mark Milstein and Jody Glancy outside the Habitat for Humanity house which is now their home. The house was sponsored and built by University of Michigan Business School students.



Home Sweet Home

Two weeks before Christmas, Monique Thomas and her children hosted their first party in their new house. Though it lacked paint, shingles, flooring and most major appliances, the house was full of warmth and good cheer, thanks to a fully functional furnace and more than 50 well wishers who crammed themselves into the living room to help the Thomases celebrate.

Very special guests at the party were members of the MBA class of 1996, who took on the two-year coordinated effort of sponsoring a Habitat for Humanity house on behalf of the University of Michigan Business School. Second-year MBA students Mark Milstein, director of the UMBS Habitat for Humanity Project, and Jody

Thomas Family Hosts Its First Party at B-School Habitat for Humanity House Which is Now Their Home

Glancy, who headed up the project's fundraising efforts, were there, along with Dean B. Joseph White and Global Citizenship Director Graham Mercer. The house was financed and constructed by members of the Business School community, along with Monique herself, who spent 200 equity hours working on the house.

The project began when members of the MBA class of 1996 spent their Global Citizenship orientation project (during the first week of school in 1994), working for Habitat for Humanity in Midland, Mich. After that

experience, they decided to launch a similar project in Ann Arbor, which meant raising \$40,000 and providing the labor required to build the Habitat for Humanity home. Their goal was to have the house, which was designed by U-M architecture student

Michael Muse, completed by the time they graduated in 1996.

The foundation of the 1,300 square-foot house was poured over the summer, and the walls were raised by students during Global Citizenship orientation week in fall, 1995. Meanwhile, students embarked on energetic fundraising efforts. There was the inaugural B-School Run for Housing, with 177 registered runners, which raised \$1,200; the auction of faculty-provided services (e.g., golf with your favorite professor), which raised \$5,687; and assorted smaller fund raising projects, such as the sale of special T-shirts (\$1,000).

A significant amount of money was raised by an appeal to University of Michigan Business School alumni in the Washtenaw County area, whose generous response yielded \$15,000.

Another major boost to the fundraising was provided by Detroit Edison, which donated the contents of a former employee training and management center to the effort. An auction of the contents of Vivienne Farm in Ann Arbor (which was sold by Detroit Edison and will be demolished for the construction of a 180-bed nursing and rehabilitation center), was held in October. Items auctioned off included furniture, commercial cooking equipment, kitchen utensils, linens, appliances and a huge cedar chest of old books.

One student told *Dividend* that, as part of the work of preparing for the auction, she was getting ready to throw out 30 mops. But the auctioneer (Ron Gallagher from Monroe, Mich., who was donating his services) said “No, no, no, I can SELL those.” He also sold 40 baker’s racks, lawn furniture, lamps and dishes. Total proceeds from the auction, all of which were donated to the Habitat House project, came to \$10,000.

All of the speakers at the dedication ceremonies heaped praise on the Thomas family, the UMBS students, and the other local volunteers who worked together to build the house. “A whole coterie of people from Ypsilanti and Ann Arbor, people from all different income levels, from all different races, from all different ages, have worked on this house,” said Margaret Leary, president of Habitat for Humanity of Huron Valley, “and it really truly represents a community effort.” “There’s a lot of hard work in this house,” said Construction Manager Brad Levy. “It was cold, it was rainy,

but they kept coming back and they did a great job.”

Monique Thomas has worked for the University of Michigan Hospital as a receptionist in radiology for the past 17 years, and says that as a single parent on a receptionist’s salary, she never thought she would own her own home. She was selected by Habitat for Humanity after spending a year on their waiting list. In exchange for 200 equity hours of work on the house, she received a low interest loan enabling her to buy it. Under the Habitat plan, she will make payments on the new home over the next 30 years, but the home is actually more affordable than the apartment she previously occupied. Her three children, Alicia, Tamika, and Richard, range in age from 7 to 17 and are thrilled about their new home.

Speaking at the dedication of the house, Dean White congratulated Monique and briefly discussed the Global Citizenship program. “The idea was a simple one,” he explained, “and that was to say to our students, through what we did the very first week they arrived, that in addition to coming to the School to get education to prepare themselves to be successful in business, we also wanted to remind them that people of exceptional privilege also have a special and exceptional responsibility to the communities where they live. This house is physical testimony to the good will of our students and their picking up on the spirit of global citizenship.”

Monique wrapped up the celebration by thanking the people who helped her realize her dream. She thanked the people from the B-School and Habitat for Humanity, “who are out doing things in the community and gathering stuff to make dreams come true for people like me.” ■

(*Dividend* is grateful to MBA students Michael Krivan and Laurie Leonard, whose stories about the Habitat for Humanity project in the *Monroe Street Journal* were important sources for this article.)



▲
MBA student Elizabeth Solomon, who worked on the auction of the contents of Detroit Edison’s former Management Development Center, poses by the sign that used to hang right outside the Center. The auction raised \$10,000, and proceeds were donated by Detroit Edison to the Business School’s Habitat for Humanity house project.

Business School Launches Daewoo Executive Program

Forty high-potential managers from the Daewoo group are learning a lot in their studies at the University of Michigan Business School, where they are now in their second year of MBA studies. But what will be the situation when they return to Korea? How can their "re-entry" be eased? And is there any way to ensure that their new ways of thinking will be adopted within the company?

Finance Professor E. Han Kim and Chairman Woo-Choong Kim of the Daewoo Group came up with a simple solution to this complex question. They proposed inaugurating a Daewoo Executive Program aimed at the *bosses* of the new MBAs. Such a program would draw heavily on the same faculty who teach the Daewoo MBA students, and would offer a condensed version of the education the MBA students are getting. It would give returning MBAs an ally who is also their boss, and thus would make change easier to enact. Students in the Daewoo Executive Program would be at the director level, representing a majority of the 25 companies that comprise the Daewoo Group. An agreement between Daewoo and the Business School, launching the new executive program in the summer of 1996, was signed in November, 1995.

"It is always easier to communicate and to make change when the boss understands where the staff is coming from," commented Professor Kim, who has led the effort to expand the Global MBA into Korea. "By teaching their bosses — not the details — but the underlying concepts, we thought we could help the new MBAs. They would be able to

Training the *Bosses* Will Facilitate the Adoption of New Knowledge

communicate better since the executives would understand the concepts supporting the changes."

The new executive education program, designed by Kim with input from Daewoo, consists of two segments. The first, a three-month part-time preparatory course, will be taught in Daewoo's training center in Korea and will emphasize language skills and basic business concepts. With their language training complete, the Daewoo executives will travel to Ann Arbor for the second segment, a super-condensed version of the MBA program. This condensed version of the core will be taught during a three-month period from late May, 1996, through early August. At the end, the executives will receive a certificate of completion.

As he develops the program, Kim looks forward to faculty involvement in teaching the Daewoo executives. "Faculty members emphasize to students that they should think globally. [This program] is an opportunity for the faculty to set a good example of globalization."

Other advantages of the program, both for faculty and for UMBS, include worldwide recognition and strengthening the UMBS-Daewoo relationship. Since Daewoo main-

tains more than one hundred offices scattered across the globe, graduates of the Daewoo Global MBA and Global Executive programs will strengthen UMBS' international recognition and add to Michigan's overseas alumni network.

"Within the corporate world, it is unheard of to take 30 top executives away from the company for three months . . . If other companies attempted this, the executives would not want to leave," Kim explained. "But Daewoo employees understand the role of the Global MBA program. They see that it symbolizes the growth, continuing globalization, and future of the company; they realize that these students are the chosen few who will eventually lead the company." This symbolism is not lost on the firm's top executives. As the supervisors of the MBA candidates, they realize that they too need to update their skills and knowledge. "Chairman Kim realizes that management must keep pace. He sees this program as a long-term investment in human capital."

Interest in establishing the Daewoo MBA program came from Chairman Kim, who is a member of the Business School's Visiting Committee. After seeing a presentation on the Cathay Pacific distance learning initiative, he inquired about the possibility of a similar program for Daewoo's employees. Professor Kim, who is well known in financial circles 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.

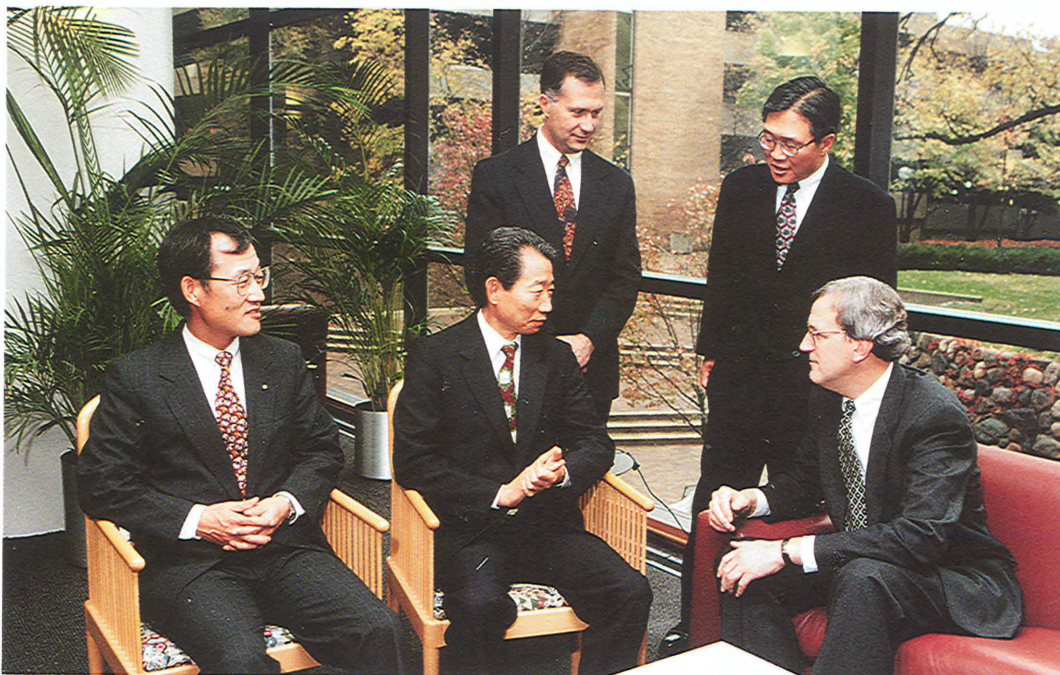
Once the Daewoo chairman

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 Woo-Choong Kim is the founder and chairman. He needed to convince the presidents of all the companies to send their brightest to school for 16 months."

On the one hand, the presidents wanted their best managers to become better educated. But they also did 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 established a curriculum similar to the one offered to Cathay Pacific managers. It required the same number of contact hours as the standard MBA program, but was conducted over 16 months. During the distance learning part of the program, students live at Daewoo's training center outside Seoul.



Meeting to discuss the new Daewoo Executive Program are (left to right) Oh-Taek Kwon, managing director of the Daewoo group; Hae-Yohng Johng, president of the Daewoo Management Development Center; George Siedel, associate dean of executive education and professor of law; E. Han Kim, professor of finance who has led the effort to expand the global MBA into Korea; and Dean B. Joseph White.

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The program began in April 1995, when selected Daewoo employees enrolled in intensive versions of the MBA core classes which were built around a five-week module, requiring four hours of class time per day per course. Approximately 30% of the student-instructor contact hours was through distance learning technology, including interactive teleconferencing. Professors in Ann Arbor broadcast their courses into Daewoo's training center, and combined that with visits to Korea to conduct on-site classes.

After having finished a majority of their core requirements, participating Daewoo employees arrived in Ann Arbor at the end of August, 1995 for two semesters, during which they are taking electives and remaining core courses. As a capstone to their education, the employees will then return to Daewoo to complete a MAP project.

By looking at the Daewoo programs as an experiment, Professor Kim believes that the results will help to improve the School's other programs. "We are attempting to train students not only to be good

potential managers but also to have a direct and positive impact on their companies. We don't know, right now, whether we are achieving this, because we do not track our students," he explains.

The two Daewoo programs will help the Business School measure its performance by evaluating the impact the Michigan-trained executives and MBAs have on Daewoo. "Traditionally, our MBAs are spread throughout the world in different companies, so it is difficult to see the impact that they have on their respective firms," Kim commented. The two Daewoo programs, however, should facilitate measuring that impact. "We will get to see a concentrated impact. And it is a little scary because the impact will be so concentrated," Kim mused. "Although I believe that we are teaching the right material, it is foolish to say that everything we teach is right. [These programs] will help us evaluate our performance." ■

(Dividend is grateful to Nicole DuPont of the *Monroe Street Journal*, who made substantial contributions to this article.)

PROFESSOR BERNARD

Members of the Business School community were shocked by the sudden death Nov. 14 of accounting professor Vic Bernard, who suffered cardiac arrest after a midday run, and never regained consciousness. He was 42 years old. Bernard, who was the Price Waterhouse Professor of Accounting and also director of the Paton Accounting Center, was a highly influential accounting scholar as well as a beloved teacher.

“Vic Bernard was the epitome of scholarly relevance,” said Eugene Imhoff, professor of accounting. “He had the unusual ability to do creative path-breaking research, and at the same time was able to convey its practical relevance to students and people in the business world. He was the most effective scholar I have known at bridging the ‘gap’ between academe and the real world of business.

“To illustrate this rare and important characteristic, Vic’s recent research stream, which deals with the role of accounting information in determining the value of a business, appears in both his recent scholarly journal publications and working papers as well as his recently published textbook, *Business Analysis and Valuation*, co-authored with Krishna Palepu (Harvard) and Paul Healy (MIT). Academic researchers, auditors, and practitioners interested in valuation from all over the world were continuously calling Vic about his work and his thoughts. I know of no other scholar whose ongoing research agenda has been received with such enthusiasm in both the academic and business communities at the same time.” Accurate information on the worth of a company is vital to investors and business managers, and Professor Bernard’s work earned significant notice in both the academic and business communities.

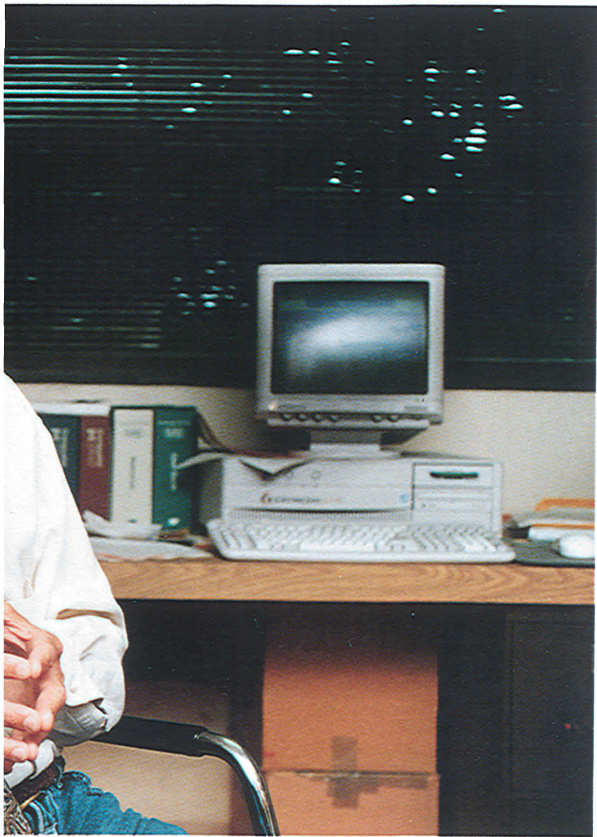
Considered a leading authority on the problems of the savings and loan industry in the early part of this decade, Bernard had



been called twice to testify before Congress on that subject. He was co-author, with fellow Michigan faculty member Roger Kormendi, of *Crisis Resolution in the Thrift Industry*. Another major research stream, which he conducted primarily with Professor Jacob Thomas of Columbia University, documents a strong challenge to the notion of stock market efficiency. The two professors found that stock prices systematically underreact to earnings news; that is, the market is slow to reflect that news in stock prices. This research has been widely cited on both Wall Street and in academic circles.

Bernard, who joined the UMBS faculty in 1982 and became a full professor with tenure six years later, twice received the AICPA/American Accounting Association’s

DIES SUDDENLY AT 42



Gregory Fox

award for Notable Contributions to Accounting Literature. He was one of only ten people in the past 30 years to receive the award more than once.

In addition to earning national notice and acclaim for his influential research, Professor Bernard won the devotion of his students. “To those who think accounting is a dull subject, I would say ‘You never took a class from Vic Bernard,’” said one grieving student. And a Ph.D. student added, “He believed in us and expected so much for us and from us. Wanting to make Vic proud motivated so many of us.” An MBA student commented, “First, he wanted us to call him Vic, not Professor Bernard. He created an environment where no one was afraid to speak, even though there were lots of

students in his class. A lot of people put a *lot* of work into being prepared for Vic’s class, for the return was so great — threefold or fourfold.”

Bernard was the first winner of the School’s Leadership in Teaching Award, established by the faculty in 1994 to recognize excellence in the classroom as well as important multi-year contributions to teaching. Among other things, he developed a new MBA elective — Financial Statements Analysis and the Role of Information in the Capital Markets — that over the years grew to be a highly popular elective course. His sections were always oversubscribed by students. As one colleague put it, “He was *the* role model in accounting for both junior faculty and Ph.D. students.” Professor Bernard earned other accolades for his teaching, including being listed among the School’s six most outstanding faculty members in *Business Week* magazine’s guidebook, *The Best Business Schools*.

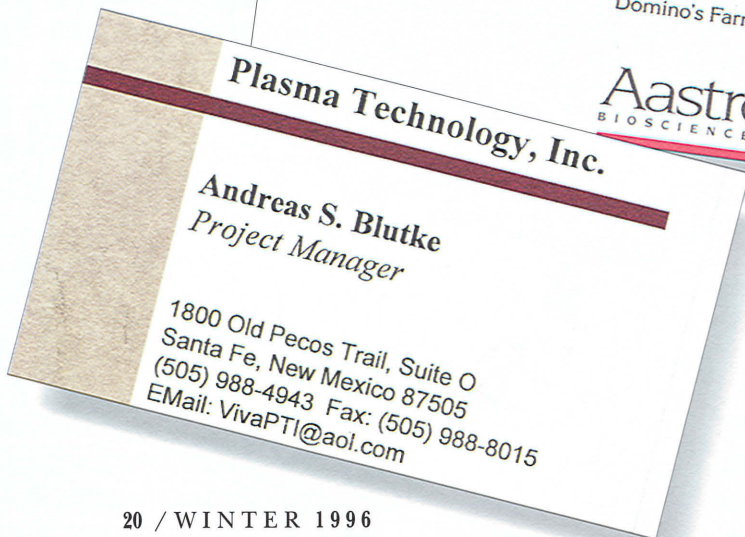
Professor Bernard was devoted to his two children, Marie, 14, and Lewis, 11, and placed his duties as a Cub Scout leader and coach of a neighborhood girls’ softball team among his highest priorities and most important roles. He counted his scaling of Mount Kilimanjaro among his proudest accomplishments, in a life filled with honors and achievement.

“Vic Bernard was a friendly, kind, gentle, caring person,” said a professional colleague. “He never considered his achievements to be unusual, and never tried to draw attention to his accomplishments. His open, caring nature allowed all of us to forget how fortunate we were to have him in our midst. As an educator and a scholar, I know of no equal to Vic Bernard. He was truly and simply the best at what he did.”

Bernard’s colleagues and friends at the University of Michigan Business School have established the Bernard Children Education Trust Fund. Contributions may be made care of Nancy E. Hooper at NBD Bank, P.O. Box 8601, Ann Arbor, Michigan 48107-8601. ■

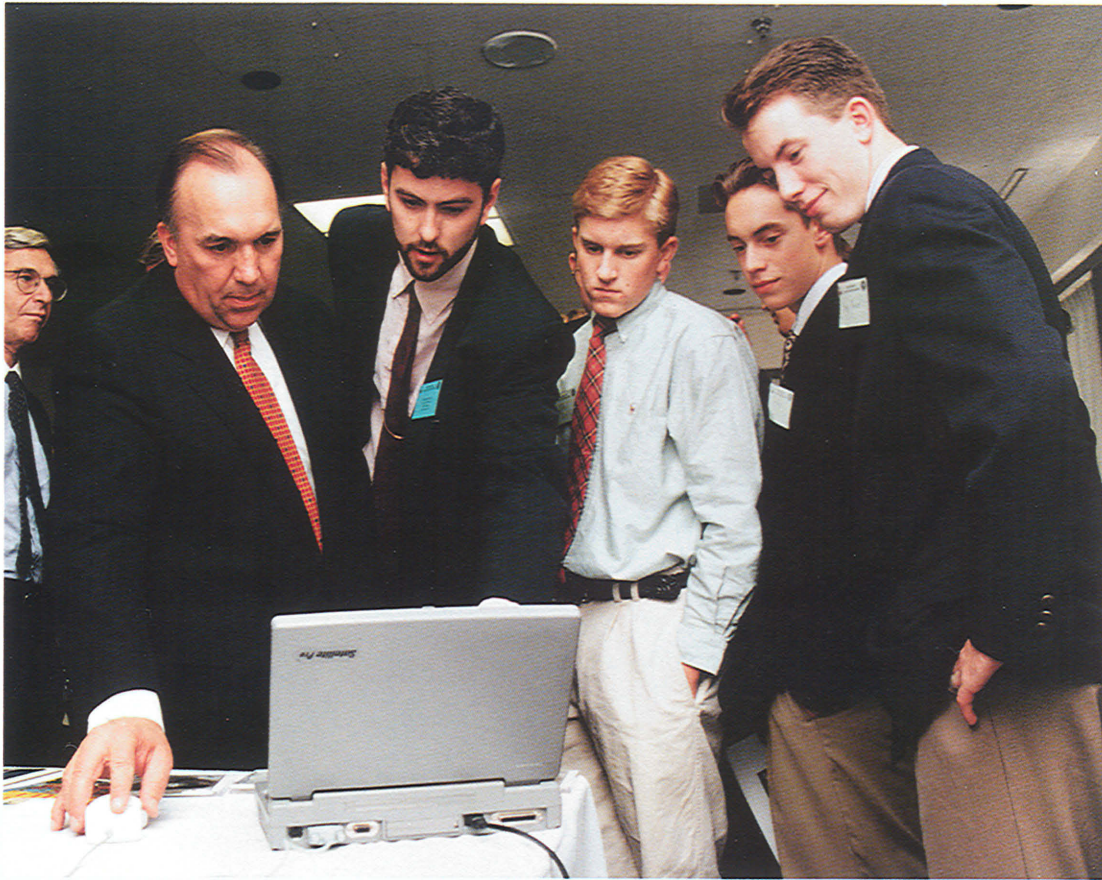
A Place for Lucrative Introductions

*Money Looking for a Place to Go Meets
Innovative Companies at the Annual
Growth Capital Symposium*



“**M**oney is looking for a place to go. I start out every morning looking for the next Apple Computer,” said Alan Patricof, founder of Patricof & Co. Ventures, a venture capital investment company currently managing over \$2 billion in the U.S. and internationally. He was speaking to other venture capitalists and entrepreneurs gathered at the 16th annual Growth Capital Symposium in Ann Arbor, where he received the 1995 Award for Excellence in Growth Capital Investment.

Finding capital to finance expansion and actualize ideas is a primary concern of innovative small companies. At the same time, discovering high potential young companies with promising products is the major interest of growth capital investors. The Growth Capital Symposium, which brings the two groups together in Ann Arbor every year, is the brainchild of David Brophy, associate professor of finance and director of the Office for the Study of Private Equity Finance at the University of Michigan Business School.



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Michigan Governor John M. Engler (left), who was a featured speaker at the 16th Annual Growth Capital Symposium, also spent time at the Symposium visiting company exhibits. Here Aaron Howard, president and CEO of Media Station, demonstrates the company's newest CD-ROM product to the governor.

As a first step for the Symposium, the Office for the Study of Private Equity Finance identifies and screens firms in need of capital, selecting those with highest potential. Candidates may be early-stage firms needing capital to extend production and marketing; established firms seeking capital to expand current operations or to introduce more products and services; and special situations — later-stage firms looking for professional investors, a public offering, or a strategic partner, either domestic or foreign. At the Symposium, each firm makes a 12-minute presentation to the assembled investors. Later in the day the companies run exhibits, and their top managers are available to meet with investors.

This year, Michigan Governor John M. Engler spoke to the group about the state's role in advancing future business growth. He has focused the attention of both public and private sectors in Michigan on the improvement of the State's business climate, with special emphasis on innovation and technology transfer.

Two awards — one for each side of the matchmaking process — are given at the Symposium:

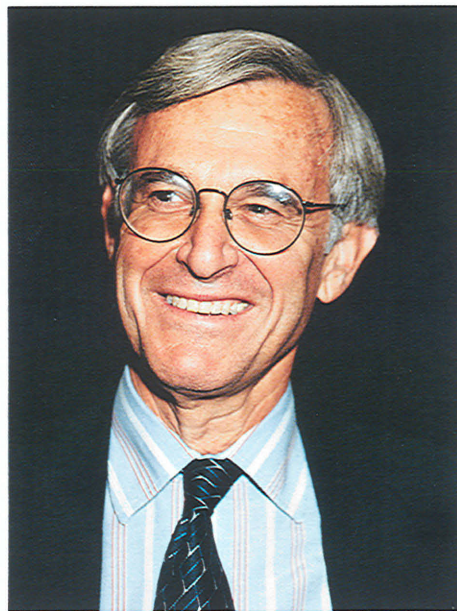
■ **THE AWARD FOR EXCELLENCE IN ENTREPRENEURSHIP** went this year to Dr. John Psarouthakis, who formed JP Industries in Ann Arbor in 1980. Within 10 years JPI became a global, publicly traded, Fortune 500 company and was sold to a British firm, T&N plc in 1990. Shortly thereafter, Psarouthakis formed JPE, Inc., also headquartered in Ann Arbor, a company which has acquired and operates automotive and truck component suppliers and which has an annual revenue rate of over \$200 million. He is a role model for emerging entrepreneurs.

■ **THE AWARD FOR EXCELLENCE IN GROWTH CAPITAL INVESTMENT** was given to Alan J. Patricof, who currently serves as CEO of Patricof & Co. Ventures, which currently manages over \$2 billion in the U.S. and abroad. He served as chairman of the



Gregory Fox

◀ Professor David Brophy (left), founder of the Growth Capital Symposium and Director of the Office for the Study of Private Equity Finance at the University of Michigan Business School, is pictured with Dr. John Psarouthakis, winner of the 1995 Award for Excellence in Entrepreneurship that was presented at the 16th Annual Growth Capital Symposium. Dr. Psarouthakis formed JP Industries in Ann Arbor in 1980. Within 10 years JPI became a global, publicly traded, Fortune 500 company and was sold to a British firm, T&N plc in 1990. Shortly thereafter, Psarouthakis formed JPE, Inc., also headquartered in Ann Arbor, a company which has acquired and operates automotive and truck component suppliers and which has an annual revenue rate of over \$200 million. He is a role model for emerging entrepreneurs.



Gregory Fox

Alan Patricof, founder and CEO of Patricof & Co. ▲ Ventures, a venture capital investment company currently managing over \$2 billion in the U.S. and internationally, received the 1995 Award for Excellence in Growth Capital Investment at the 16th Annual Growth Capital Symposium. He served as chairman of the 1995 White House Conference on Small Business and has been a driving force in bringing consideration of the needs of small business and entrepreneurship to the attention of public policy makers. He has been involved throughout his career in support of education and in public policy issues surrounding technology transfer and innovation.

1995 White House Conference on Small Business and has been a driving force in bringing consideration of the needs of small business and entrepreneurship to the attention of public policy makers. He has been involved throughout his career in support of education and in public policy issues surrounding technology transfer and innovation.

In its 15 year history, the Symposium has helped over 350 growing companies raise nearly \$200 million in growth capital. In 1994, it expanded to Europe, where a similar annual Symposium is held for emerging companies in Eastern Europe.

Besides heading the Office for the Study of Private Equity Finance, Professor Brophy teaches courses in venture capital, corporate finance and banking at the University of Michigan Business School. He has twice won the National Association of Small Business Investment Companies' Research Award, and has been heading a nationwide research team assessing the role and needs of small business and entrepreneurship in the U.S. for the White House Conference on Small Business. He is also a consultant to the Michigan task force on venture capital. ■

The Office for the Study of Private Equity Finance has a home page on the World Wide Web
<http://www.umich.edu/~ospef/office.html>

Here is a sampling of some of the 15 companies that participated in this year's Growth Capital Symposium:

■ **THREEFOLD SENSORS, INC.** – Early-stage Michigan medical diagnostic products company building a product which can measure female reproductive hormone levels in urine. The device will utilize technology related to laser optics, fiber optics, chemically selective biological molecules and fluorescence. The initial device will serve as a platform for all future products since the fiber-optic sensor will have a wide application to many hormones, drugs, infectious agents (AIDS) and metabolites.

■ **MATRIGEN** – Michigan Biotechnology firm developing a plasmid based bone-healing system for severe bone injuries. Matrigen intends to develop and commercialize technology originating at the University of Michigan Medical School that leads to tissue growth and regeneration through the use of DNA products.

■ **NITRATE ELIMINATION, INC.** – Michigan (UP) company whose focus is on the development of enzyme-based products for the detection and remediation of compounds of environmental concern, with special emphasis on a widespread problem: contamination of water by excess nitrate. Company strategy will be to use licensing and strategic partnering for commercialization and marketing of its products.

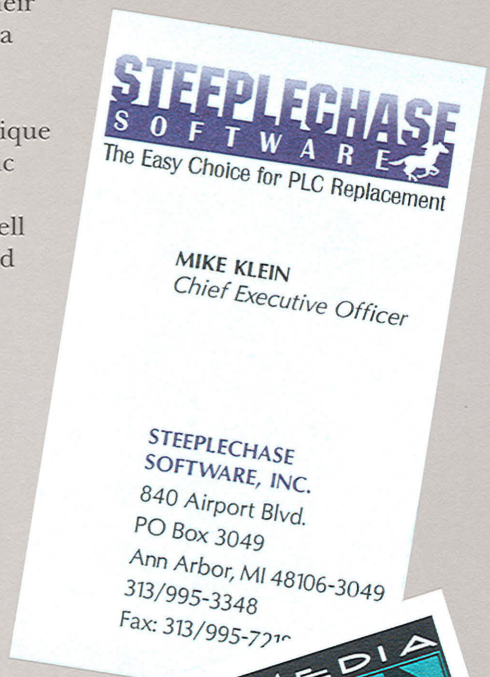
■ **STEEPLECHASE SOFTWARE** – Michigan Software company founded in early 1993 to simplify factory automation. The company released its first product, the Visual Logic Controller (VLC), in December, 1994. The VLC is a Windows-based software that allows a system built around a single Personal Computer (PC) to replace PLC-based systems.

■ **AASTROM BIOSCIENCES, INC.** – Michigan developmental-stage medical products company which currently employs over 40 people. The company has patented technology, which has been implemented in the Automated Aaastrom Cell Production System, for the ex vivo growth and expansion of human stem and hematopoietic progenitor cells and other tissues. These powerful cells have the ability to be used therapeutically to either restore or repair damaged human tissue, with immediate cost and life-

saving utility in bone marrow transplantation, other cancer therapies, and stem cell gene therapy.

■ **BEARTOOTH, INC.** – Early-stage company which is producing and marketing fruit-flavored beer on a regional market basis. The Company is a category leader within a small but rapidly growing craft brewing segment of the U.S. brewing industry. This includes brewpubs, micro-breweries, regional specialty brewers, and the contract brewers such as the Company.

■ **MEDIA STATION** – Located in Ann Arbor, Media Station creates, produces and markets compelling interactive family entertainment for kids and their parents. Media Station distinguishes itself through its unique blend of artistic and technical creativity, as well as its integrated multimedia production capabilities.



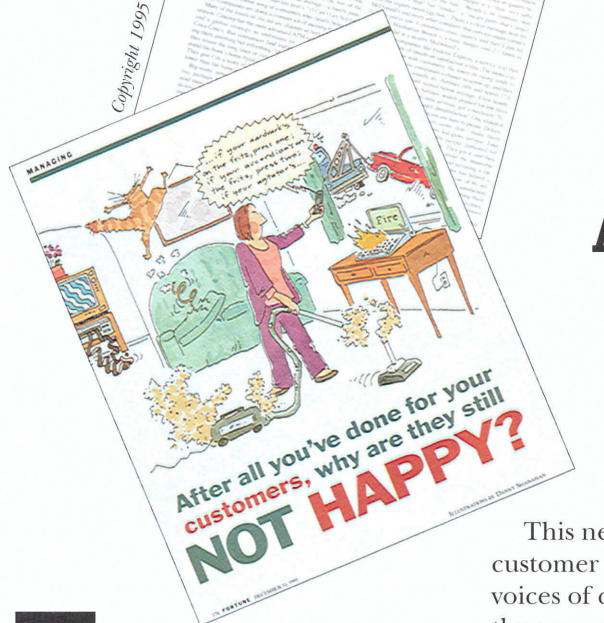


◀ Two major articles in the December 11, 1995 issue of *Fortune* magazine describe the American Customer Satisfaction Index in depth and discuss its implications for the American economy. The index was originated at the University of Michigan Business School.

Customer Satisfaction:

Are U.S. Companies Moving in the Wrong Direction?

A New National Scorecard is Flashing a Warning: Overall, U.S. Companies Lost Points Last Year



Thanks to the American Customer Satisfaction Index (ACSI), which originated at the University of Michigan Business School, customer satisfaction is no longer just a warm and fuzzy intangible, but something that can be measured and entered onto the balance sheet. But the new national score card of customer satisfaction is flashing a warning: overall, U.S. companies lost points last year, when compared with the year before.

A premise of the rating is that, at the micro level of the firm, customers are an economic asset, and ought to be treated as such. At the macro level, ACSI provides a vital piece of information on the health of the overall economy. So far, evidence suggests that this new measure is in sync with, or even ahead of, the Index of Leading Indicators (see table on page 25.)

This new national score card of customer satisfaction is making the voices of customers more powerful than ever before, translating their opinions into hard numbers so that customer satisfaction is as tangible as a stock price or an earnings report. In fact, indications are that the American Customer Satisfaction Index can actually predict company earnings, showing that making customers happy translates into money in the bank.

The ACSI was launched in October, 1994 under the joint sponsorship of the University of Michigan Business School and the American Society for Quality Control, a professional association based in Milwaukee. It examines 35 industries representing almost 40% of GDP and encompasses seven sectors of the economy — manufacturing nondurables; manufacturing durables; transportation, communications and utilities; retail; public administration and government; services; and finance and insurance.

It is based on telephone interviews with over 50,000 customers annually, who are located through random selection. The Index includes customers of 200 companies (selected on the basis of market share), who are surveyed to determine their assessment of the quality of goods and services with which they have had actual experience, and to determine their intention to repurchase.

Figures released this fall provide the first year-to-year comparison of the quality of economic output available in the U.S. and mark the first time quality has been tracked across industries and sectors in the American economy. Only the manufacturing/durables sector of the economy has shown any improvement over the past year. That sector, the data for which was updated in August, showed a 0.8% improvement, with a score of 81.2 on the ACSI's 100-point scale. (One or two sectors are updated each quarter, with a new national Index resulting from accumulation of that data.)

Overall, the economy's satisfaction

performance showed a 1.1 percent decline, going to 73.7, from a score of 74.5 at this time last year. The biggest declines in the past year were in the retail sector, which fell 2.8 percent from a score of 75.7 to 73.6, and in the public administration/government sector, which experienced a 3.7 percent drop, from a 64.3 to a 61.9 score.

According to Professor of Marketing Claes Fornell, the economist who designed the index, ACSI should be considered an economic indicator at the macro level, like indicators of price and productivity. The methodology developed by Professor Fornell for studying customer satisfaction has been in use for seven years in Sweden, where the Swedish Customer Satisfaction Barometer is proving to be a leading economic indicator.

Two major articles in the December 11, 1995 *Fortune* magazine describe the index in depth and discuss its implications for the American economy. Commenting on the decline, *Fortune* notes, "Though the overall decline is small, this is not an index that one would expect to shift abruptly, and the fact that it has moved in the wrong

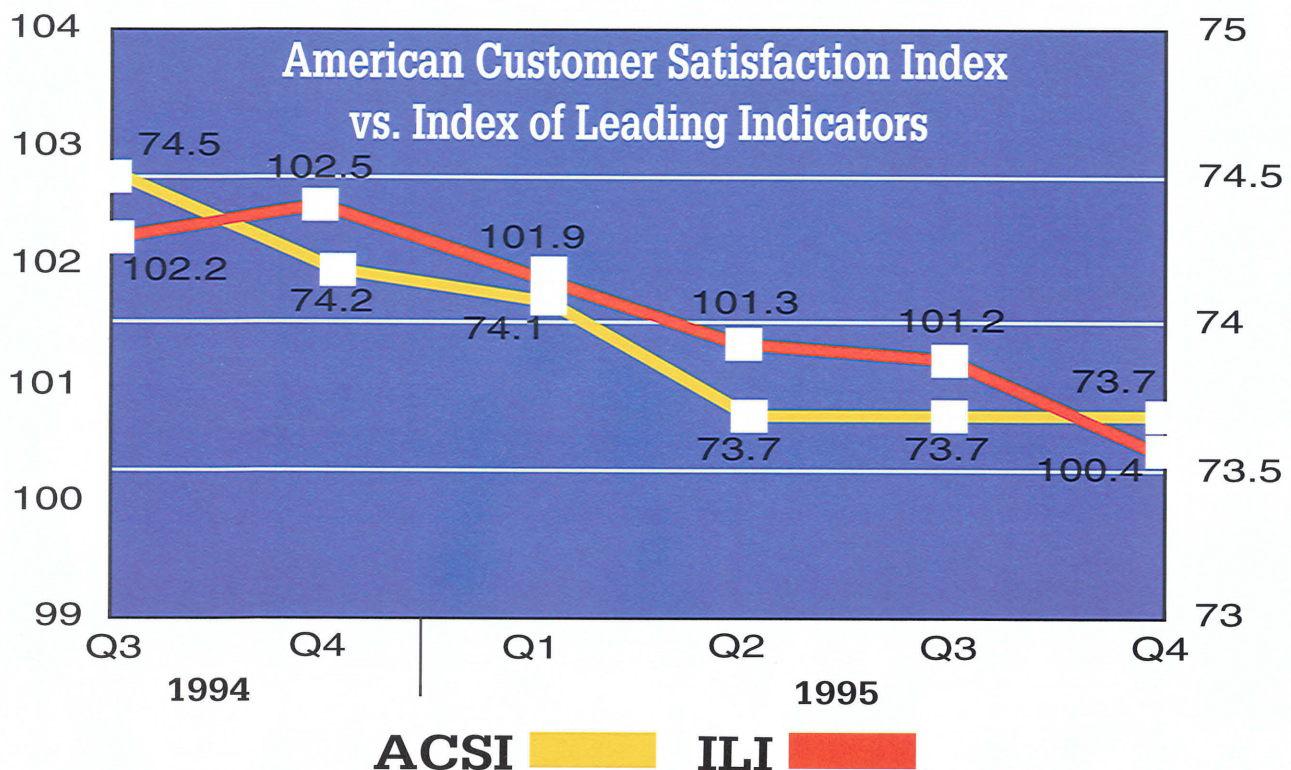
direction is not encouraging." The article goes on to say, "The ACSI results suggest at least three wrong turns business may have made in its drive to improve customer satisfaction: It has viewed customer service as a cost rather than an investment; it has been insufficiently aware of customers' rising expectations; and it has not yet figured out how to define customer satisfaction in a way that links it to financial results."

Customer service has gotten a good deal of attention in recent years, but the ACSI suggests many companies are shying away from a real commitment to it. It is tempting for companies to forget about customer satisfaction in favor of improving productivity — because saving some money by putting fewer clerks in the stores, for example, seems an easy way to boost profits. But if increasing productivity means things like using fewer clerks, a productivity hike is almost guaranteed to reduce customer service. There is a good deal of evidence suggesting that is exactly what has happened in retail and a number of other industries. The trouble is

that productivity, on its own, is an insufficient measure of company performance. The ACSI updates how success is measured, putting customers front and center, and reminds companies that letting customer satisfaction slip can be costly.

"Keeping customers is a great way to grow," says *Fortune*, reminding its readers that studies show that the price of acquiring new customers is five times greater than the cost of keeping old ones. The article continues, "If you want your customers to stay longer, you should find out what specific factors — faster delivery? electronic billing and payment? better trained personnel? — make the most difference in your retention rate, and how much that difference is worth. Almost by definition, this means that measuring and managing customer satisfaction cannot be the private preserve of the market research department. It's the job of the whole business. It is the whole business."

(A complete rundown on how the Index was compiled, and the scores by company in each product category can be found in the Dec. 11 issue of *Fortune*.) ■



Alumni Activities

Classes of '70, '85, '90 and '94 Have a Great Reunion Weekend

"It's incredible what's happened around this business school in the past 10 years, much less the last 25," mused one returning alumnus, and certainly

members of the classes of 1970 and 1985, if they had not been on campus since they graduated, found many changes to surprise them when they returned for Reunion Weekend on October 27 and 28. (For more about changes seen from the view-

point of a returning 1970 graduate, see page 11.)

Among other treats planned for the alumni, an outstanding one was the opportunity to attend executive skills workshops, which have been highly popular with MBA students. They run between two to four hours, and function for MBA students as mini-executive education courses. The emphasis is on action learning and skill building. Alumni were able to attend two different workshops — one on effective communication, and one on time management,

during the Friday activities.

Saturday's events included business school tours led by students, a "State of the School" event which gave an update of where the School is heading now and what challenges it faces, a tailgate lunch in the Business School portico, the Michigan-Minnesota football game, and a reception and informal dinner.

Also on the agenda were receptions and luncheon get-togethers where people were able to do a lot of informal socializing with classmates.

In 1994, the Business School began a new reunion tradition by focusing on three classes — including the 25th, 10th and 5th reunion year. This year, the MBA 1994 (first year) reunion class was added to the agenda, and it is our goal to add reunions for the 15th and 20th year classes as well.

The Classes of 1970 and 1985 also implemented Reunion Gift Campaigns, chaired by Dick Ainsworth for the MBA class of 1970 and by David Bryan and Matt Anctil for the class of 1985. Their efforts were highly successful, and a check for \$145,000 from the class of 1970 and for \$55,000 from the class of 1985 was presented to Dean White. Both class gifts will be directed to the annual fund, which provides vital support not only for day-to-day needs of the School, but also provides vital undesignated dollars that allow the School to seize important opportunities when they arise.



Gregory Fox

Reunion Weekend - Michael Vendetti, Michael D'Angotino and Rick Tauber, all MBAs '90.

Reunion Weekend - Members of the class of 1970 pictured here are (left to right) Dick Ainsworth, Ron Sladky, Jim Gillespie and Bob Dailey.



Gregory Fox



Gregory Fox

Reunion Weekend - Tenth reunion classmates are (left to right) George Knoll, Liebe Gadinsky and Randy Green, all MBAs '85.



Gregory Fox

Reunion Weekend - Pictured left to right are members of the MBA class of '85 Matt Anctil (with daughter Katie), Mark Kielb, Matt Rohr and Marilyn Warner.

Reunion Weekend - Members of the MBA '90 class at their 5th reunion (left to right) Jim Peck, Marina Shoemaker, Helen Carter, Mary Moore, Mike Shingler and Susan Land.



Gregory Fox

Reunion Weekend - Pictured at their 25th reunion are (left to right) Richard Rogel, BBA '70, John Shuey, Roberto de Ocampo and Santosh Mehra, all MBAs '70.



Gregory Fox

Have You Ordered Your 1996 Alumni Directory?

The 1996 Alumni Directory of the University of Michigan Business School is due out in June. While Harris Publishing Company produces a fixed quantity of 1996 Business School Alumni Directories, they still have a small quantity available for order. Please contact Customer Service at the Bernard C. Harris Publishing Company, if you'd like to order a copy of the 1996 directory.

Orders received after April 6 will be filled on a first come, first served basis. The cost is \$39.95 plus \$5.95 shipping and handling.

To order, please contact:

Customer Service
Department
Bernard C. Harris
Publishing Co., Inc.
Elizabeth Building
16 Koger Center, Suite 103
Norfolk, VA 23502
Telephone - (800) 877-6554



Alumni Activities

What's New With the Alumni Clubs?

A reception at the Singapore Embassy in Washington, D.C.; a panel discussion between entrepreneurs in Cleveland; and a workshop on Career Strategies for the 1990s in New York

City were all part of alumni club activities in the past months. Below are some of the highlights of those meetings.



Karen Sordani

Linda Lim, associate professor of international business and director of the Southeast Asia Business Program at the Business School, is pictured with S.R. Nathan, ambassador to the U.S. from Singapore, at the Singapore Embassy in Washington, D.C., where she spoke at a meeting of the University of Michigan Business School Society of Washington, D.C.

■ JAPAN

Takeo Suzuki, MBA '76, president of the University of Michigan Business School Club of Japan, hosted a reception at the Shimizudani Club in Tokyo in February. Guests of honor were Dean B. Joseph White

and E. Han Kim, professor of business administration and director of the Mitsui Life Financial Research Center. Both alumni and prospective students attended the reception.

■ WASHINGTON, D.C.

Linda Lim, associate professor of international business, spoke on "East vs. West in International Business" at the Singapore Embassy under the sponsorship of the University of Michigan Business School Society of Washington, D.C. and the U of M Club of Washington, D.C. Professor Lim described the differences in perspectives between American and Asian businesspeople and told many anecdotes from her

interviews with Asian and American businesspeople in China, Singapore and Hong Kong.

Lim, who was born in Singapore, directs the Southeast Asia Business Program at the University of Michigan Business School and is a valued teacher and mentor for many business school students, particularly those who are working toward a dual degree MBA/MA program in Asian studies. The event at the Singapore Embassy was planned by Ed Karls, MBA '94; Bill Taylor, MBA '77; and Mike Weber, MBA '91.

■ CLEVELAND

The first of an annual panel on entrepreneurship took place in November in Cleveland, sponsored by the Business School Committee of the U of M Club of Cleveland. Warren Anderson, MA '77, CEO of Anderson-Dubose, was the keynote speaker. He was joined by two other panelists: Ed Gonzalez, BA '76, CEO of Ferrous Metal Processing; and David Bauders, MBA '90, President of Strategic Pricing Associates.

Another successful Cleveland event took place in the fall, when Joseph Keithley, MBA '76, chairman, president and CEO of Keithley Instruments Inc., hosted a tour of his company's Solon, Ohio, facility. Following the tour, he led a discussion on using C.K. Prahalad's strategic concepts to rekindle profitable sales growth. Prahalad, who is renowned for his thinking in corporate strategy, holds the Harvey C. Fruehauf Professorship of Business Administration at the Business School.

Both of these successful events were organized by Deanna Bremer, MBA '92; Bob Bailey, MBA '78; John McCarty, MBA '82; Steve Georgi, MBA '92; and Paul Campbell, MBA '54.

■ SAN FRANCISCO

The newly formed University of Michigan Business School Club of Northern

California held its kickoff event in January with a reception for Dean B. Joseph White. Sanford Robertson, BBA '53, chairman, Robertson, Stephens & Co., welcomed the Dean to the Club's first meeting. About 90 Business School alumni and students attended the event, and heard Dean White speak about the changing nature of business school education and how the Michigan Business School is adapting to those changes. The reception was organized by Eva Chang, MBA '93; Jodi Klein, MBA '93; Michelle Lee, MBA '94; Penny Smout, MBA '93; Amreen Madhani, MBA '93; and Rich Stanton, MBA '91.

■ NEW YORK

Paul Bernard, MBA '81, President of Paul Bernard & Associates, led a workshop on career strategies for the 1990's at a fall meeting of the Business School Society of the U of M Club of New York. Bernard discussed tools that Michigan alumni and alumnae can use to match their interests, skills and personality type with a career path. Paul Bernard is a career and outplacement counselor with more than 20 years of counseling, human resource management, financial management and marketing experience. He has held senior financial and human resource positions in both the insurance and publishing industries and has counseled hundreds of men and women seeking to change jobs or to find a new career path for themselves.

The New York Club also jointly hosted an "All MBA" cocktail party in October, which was attended by Business School alumni from the University of Michigan, Columbia, NYU, Wharton, Harvard, Yale, MIT, University of Chicago, London Business School, Cornell, Tuck, UCLA and Stanford. Both of these successful events were planned by Scott Stieler, MBA '92 and Barry Asato, MBA '92.

Diana Langley, BBA '75 Wins the 1995 Entrepreneur Award

Diana Starr Langley, BBA '75, president and CEO of Dioptics Medical Products, Inc., received the 1995 Entrepreneur Award from the Michigan Business School Alumni Society Board of Governors October 3. The award is given annually to recognize and honor an individual who has established and developed a highly successful business enterprise.

Ms. Langley is the founder and owner of Dioptics, a multimillion dollar California corporation which has been a pioneer in the development of new products related to ophthalmology. Her company developed the first prescription lens with ultraviolet filtering and the first intraocular lens (after cataract surgery) that filters ultraviolet light, as well as producing SolarShield® sunglasses, a UV filtering sun goggle. Her mother, Lee, BBA '49 works for the company, as well as a sister, Jan, BBA '77.

The award was presented in conjunction with a Dean's Seminar program, at which Langley gave a half-hour presentation, followed by a question and answer period with students. During Langley's talk, she discussed risk-taking ("I take different risks now than I did when I was younger"); success ("the definition changes as you age"); and working long hours ("you don't have to have your sleeves rolled up all the time; you could be sitting on a plane thinking"). She also told the students wryly that it took her 20 years to become "an overnight success."



D.C. Goings

Diana Starr Langley, BBA '75, shows off the 1995 Entrepreneur Award given to her by the Business School's Alumni Society Board of Governors.

A

MONG OURSELVES

Prof. Anjan Thakor, Leading Scholar in Finance, Is Appointed Frey Professor of Banking and Finance

Anjan Thakor, a leading scholar in the finance field, has been appointed to the Edward J. Frey Professorship in Banking and Finance, and will join the University of Michigan Business School faculty in Fall, 1996. The new professorship was established with a \$1.2 million grant from the Frey Foundation.

Professor Thakor is currently chairman of the finance department at Indiana University's School of Business, where he is also the NBD Professor of Finance. He is regarded as an expert in banking policy, regulation, and strategy and has also emerged as a leading thinker in the area known as financial intermediation — ways of linking sources of capital with businesses and individuals in need of financing. He is co-editor of the *Journal of Financial Intermediation*, which is highly influential on theory and practice in the field, and associate editor of four other academic journals. He also recently co-authored a textbook on bank management entitled "Contemporary Financial Intermediation." He has published over 50 articles in leading academic journals in finance and economics, and numerous other monographs and chapters in books.



Professor Anjan Thakor, the new Frey Professor of Banking and Finance, will join the B-School faculty in fall, 1996.

The chair Professor Thakor will hold commemorates the distinguished career of the late Edward J. Frey, Sr., who for 31 years was chief executive officer of Union National Bank (now NBD) and also founded the Foremost Insurance Company in Grand Rapids. Mr. Frey, a graduate of the University of Michigan, was known as an innovator in banking and finance as well as a community leader and humanitarian. He founded the Frey Foundation in 1974.

"The University of Michigan played a large role in my father's business career, and his affection for the university was ever-present," said David Frey, vice chairman and trustee of the Frey Foundation. "We are especially delighted that this chair has enabled Michigan to attract one of the country's leading scholars and teachers in banking and finance, an industry my father helped shape. The Business School's unusual commitment to teaching its students corporate citizen-

ship also makes Michigan a particularly appropriate place for us to establish a professorship in my father's name."

"This chair makes a major contribution to building Michigan's expertise in a vital area," said Dean B. Joseph White. "Professor Thakor brings precisely the kind of accomplishment in research and teaching that was envisioned when the chair was established."

Besides his important research contributions, Professor Thakor is also an outstanding and committed teacher. He currently teaches both MBA and PhD students, and has, over the years, supervised numerous doctoral dissertations. In recent years, he has also become active in executive education, making further contributions to the practice of banking and finance through his teaching on that front, and effectively drawing on his executive education experience both to enrich his work with MBA and PhD students and to generate ideas for research.

Professor Thakor did his undergraduate work at the University of Baroda, India, and received his MBA from the Indian Institute of Management and his PhD from Northwestern University.

Company Based on New Plastic Injection Molding Process Wins 12th Annual Pryor Award

A new patented process for plastic injection molding is the basis for GCP Engineering, a company launched with a business and marketing plan written by three evening MBA students and one day MBA student, along with an outside adviser who is a graduate of the evening MBA program. Their plan for the new company won the 12th annual Pryor Award, established with a \$50,000 grant to the School from Millard H. Pryor as a challenge to “commit the entrepreneurial dreams of students to paper.”

The student team developed the winning plan to provide a blueprint for the launch and growth of Gas Counter Pressure Engineering Company, which now sells and licenses a process for plastic injection molding called Gas Counter Pressure (GCP). This technology enhances plastic part appearance by eliminating gas migration and sinks. It also increases the strength of molded parts by as much as 30 percent, reduces finished part weight by 10 percent, and shortens cycle times by 20 percent. The team points out that minor reductions in weight and cycle time in the injection molding industry translate into massive cost savings. Thus, the GCP process has enormous potential in the \$20 billion industry.

The winning student team consisted of three evening MBA students — Stephen Kile, Alicia Nelson and Mark Gresser, and day



Winners of the 12th annual Pryor Award include (seated, left to right) evening MBA students Stephen Kile and Alicia Nelson, and MBA day student Sev Maynard. Standing (right) is Mark Gresser, also an evening MBA student, and Chris Ring, MBA '93, who was not part of the team, but who served as a special consultant on the project. The four won for their business and marketing plan for the launch and growth of a company that sells and licenses a new patented process for plastic injection molding.

MBA student Sev Maynard. The company is now in business, founded by Milko Guergov, who moved to the U.S. from Poland and who holds the patent for the process. At the time of its incorporation in December, 1994, GCP Engineering was capitalized by three private investors. Initial sales efforts are concentrating on the Detroit area automotive injection molders.

Business plans that compete for the Pryor Award are first evaluated by two Ph.D. students who read the plans and choose finalists. The finalists then present their idea for a strictly monitored 20 minutes to five judges who are venture capitalists and entrepreneurs. This year, the judges in-

cluded: Herbert Amster, consultant to TriMas; James Buhr, managing director, McDonald & Company Securities, Inc.; Ian R.N. Bund, president, White Pines corporation and senior vice president and director of corporate finance, First of Michigan Corporation; Mary Campbell, partner, Enterprise Development Fund; and Richard Rogel, CEO of Preferred Provider Organization of Michigan.

The plans are judged on their conceptual innovativeness, clarity, and practicality of marketing and production methods. The Pryor award competition is open to all undergraduate or graduate students who are registered during the academic year.

What Is the Name of This Place Anyway?

When Keith Decie, director of communications for the University of Michigan Business School, made a survey of how we identified ourselves, he found about 15 different variations on our name. Since then, a policy has been instituted to use a single name — University of Michigan Business School — in all forms of communication.

“The impact of the School’s many accomplishments in building our overall and departmental reputation is diminished considerably as a result of the inconsistency of names we have been using,” said Decie. “When a research paper, a brochure, a *Wall Street Journal* article, and the way the phone is answered all identify us differently, it is clear only to us that each of these references is to the same school.”

“To build the School’s reputation, it is essential that we have a single consistently used name,” said Dean B. Joseph White. “‘University of Michigan Business School’ is clear about and capitalizes on our membership in the University, but also allows us to build a separate institutional identity, which is important, given the competitiveness of management education.”

The School is now in the process of revising business cards, letterheads and other printed materials to insure that the name is used consistently.

9th Annual Real Estate Forum Considers Emerging Trends

A panel of five real estate professionals; a keynote address by Ken Himmel, developer of major multi-use urban complexes; and presentation of real estate scholarships were all part of the ninth annual Real Estate Forum, held in November at the Business School. The two-day event also included a bus tour of various real estate sites, a panel presentation on revitalizing downtowns, a networking reception and lunch, and several concurrent workshops.

The five panel members, all of whom were honored as "Moguls of the Year" by *Commercial inc* magazine, were described by the magazine's publisher Bonnie Taube, as "gutsy risk takers who have the vision and persistence to turn yesterday's possibilities into tomorrow's realities."

They included David Johnson, chairman of Victor International corporation; Jonathan Holtzman, chairman of Village Green companies; Douglas Etkin, president of Etkin Equities; Harriet Saperstein, president of HP Devco; and Ronald Weiser, CEO and chairman of McKinley Associates.

The panel identified several major themes in their discussion, which included:

■ **THE OUTMIGRATION FROM THE MIDWEST** is beginning to reverse. However, the supply of new housing has not kept up with demand as lenders have yet to acknowledge the upswing in demand.

■ **MORE AND MORE AMERICANS** are choosing to live in



Robert Larson of Taubman Realty (right), and Kenneth Himmel, keynote speaker at the Real Estate Forum. Himmel has created a series of landmark mixed-use projects.

apartment communities, and as a result there are good opportunities for renovating and upgrading moderately aged complexes.

■ **MASSIVE CHANGES IN RETAIL SALES** of the past 10-15 years are affecting commercial real estate. More factory outlet malls will be constructed close to major metropolitan areas.

■ **RE-USE AND REDEVELOPMENT** of abandoned industrial sites will be an enduring trend, as the role of the real estate developer is being changed by the sensitivity of an environmentally conscious society.

The keynote speaker, Ken Himmel, began his presentation by emphasizing that there are three key themes that tie his complexes together: "sports, entertainment, and food and beverage." He emphasized that entertainment will be an increasingly important theme

in all types of mixed use development. Himmel was introduced by Robert Larson, chairman of Taubman Realty.

Himmel has created a series of landmark mixed-use projects, including the \$500 million Copley Place development in Back Bay, Boston; the \$350 million Phase I Reston Town Center in Reston, Virginia; and a 300,000-square foot development on North Michigan Avenue, Chicago. His career has included executive positions with and joint-venture responsibility for projects with Cabot, Cabot and Forbes; Urban Investment and Development Co.; Miller-Klutznick-Davis-Gray Co.; Mobil Oil Corporation; and, most recently, Thomas J. Klutznick Company and McDonald's Corporation.

Next year's Real Estate Forum will be held Nov. 14-16, the weekend of the Penn State game in Ann Arbor.

At the ninth annual Real Estate Forum, real estate scholarships were presented to students by sponsoring corporations. They included:



Law student Christopher Robinson, whose scholarship was presented by Gordon Didier of Butzel Long;



Urban studies student Tracy Gao, whose scholarship was presented by Brad Newman of Comerica Bank; and



MBA student Marty Friedman, whose scholarship was presented by Joel Schwartz of Ford Motor Land.

Photos by Gregory Fox



Sloan Sponsored Seminar to Consider Corporate Governance

A seminar to explore the purposes and accountabilities of the corporation in modern societies is being planned at the Business School under a grant from the Sloan Foundation. Pictured here are members of the faculty committee working on the seminar. They include, from left, B. Joseph White, dean of the Business School; James Walsh, associate professor of organizational behavior, human resource management, and corporate strategy; Cindy Schipani, the Louis and Myrtle Moskowitz research professor of business law; and Anant Sundaram, visiting associate professor of international business. Not pictured is Professor Michael Bradley of Duke University, who is also a member of the committee.

Tauber Institute Hosts First Manufacturing Recruiting Forum

Companies from all over the country who are seeking highly qualified candidates in manufacturing, and students from top universities who are seeking permanent positions in manufacturing, had an opportunity to get together in Ann Arbor, November 30 and December 1 at the first annual Manufacturing Recruiting Forum. The Forum was hosted by the Joel D. Tauber Manufacturing Institute (TMI), which succeeds the Michigan Joint Manufacturing Initiative, in cooperation with the National Coalition for Manufacturing Leadership (NEMC). TMI was developed to meet industry's need for a new kind of graduate—one who has an exceptional academic background, extensive professional experience, and who can successfully integrate business and engineering perspectives to lead

America's manufacturing industry into the future.

Recruiters from 28 companies and about 125 students from 10 top participating universities converged on Ann Arbor for the Forum, which began Nov. 30 with a reception, during which participants could visit companies' information booths and also fill any remaining interview slots. The Forum continued Dec. 1 with interviews scheduled in advance by companies. The Forum provides students with the opportunity to interview in one location with companies from around the country who are specifically interested in students embarking on manufacturing-related careers. At the same time, it gives companies the opportunity to interview in one location students from top manufacturing programs across the United States.

Kresge Business Administration Library Celebrates Seventieth Birthday

When the Business School began in 1925 (located in Haven Hall), the Business School Library had 170 volumes on hand. Fees and expenses for Michigan residents included a one-time matriculation fee of \$10.00 and an annual tuition expense of \$85.00 for men and \$80.00 for women. Much has changed in 70 years! A party to celebrate the Library's 70th birthday was held in November, 1995, complete with a birthday cake.

In 1948, the Library moved to the new Business Administration building at the corner of Monroe and

Tappan street, where it was located in what is now the student lounge. In 1984, the new Kresge Business Administration Library and Computing/Executive Education Building was dedicated. The new library was built entirely with private funds, including a \$2.5 million challenge grant from the Kresge Foundation of Troy, Michigan. It provides 55,000 square feet of space for open stack collections on three levels, and seating capacity almost three times that of the previous facility, which remained almost unchanged from 1948-1984.



A party with birthday cake was held to celebrate the 70th birthday of the Kresge Business Administration Library, which opened in Haven Hall in 1925 with 170 volumes. Pictured here, left to right, are Nancy Karp, senior associate librarian; John Sterbenz, coordinator of technical operations for the library; Aline Soules, Kresge Library director; and George Siedel, associate dean.

D.C. Goings

BT Gift to Support Significant Expansion of Global Learning Center



Gregory Fox

The Global Learning Center was dedicated in December by the University of Michigan Business School and BT, whose support is making possible significant expansion of the Center's capabilities in distance learning. Posing with a plaque unveiled at the dedication are, left to right, David Thomas, head of development and training supply for BT; Susan Moore, manager, executive development at BT; Michael McIntyre, BT's regional manager, distance learning; Graham Mercer, director of international programs at the University of Michigan Business School; and John Taylor, executive regional manager for BT.

A new chapter in the use of distance learning technology by the University of Michigan Business School opened in December, when BT and the Business School announced a partnership to expand the current Distance Learning Center into what will now be called the Global Learning Center. The partnership joins a content provider with experts in communication technology, and was made possible by a gift of both money and sophisticated technology from BT.

"BT has great interest in management education training," said John Steele, BT's Group Personnel Director, speaking by videolink from London. "A truly global company will have to embrace technology at every aspect of this business. We look forward to developing

further understanding of the learning process."

The expansion of the Distance Learning Center, which currently has only one video classroom, will include the development of a second, smaller, video classroom; a high-quality video conference room suitable for executive presentations; a

multi-media preparation area that can be used to prepare multi-media learning modules; and two small conference rooms suitable for group video and audio conferencing. Throughout the Center, BT's technology will be used wherever possible. The expanded Center's primary functions will be:

- TO TEACH globally dispersed students
- TO EXPERIMENT with instructional delivery
- TO EVALUATE teaching methods

"This initiative will strengthen and expand the Business School's global outreach," said Graham Mercer, director of international program development for the University of Michigan Business School. "This support from BT will allow us to develop global communications, support educational endeavors, and study different instructional approaches.

At the same time, BT will have access to the knowledge we develop on global learning and program delivery."

With the newly expanded facility, the Business School plans to develop programs that involve on-the-ground projects around the world, and new forms of degree and non-degree program delivery; to study and review new developments in "state-of-the-art" telematic learning systems and assess their potential for management education; to review all major corporations that teach management from a distance and document their best practices; and to develop instructional modules that can be used to increase the skill level of faculty and practitioners engaged in distance teaching.

Plans are also going forward to develop evaluation material that will be capable of providing a comparison between different distance learning approaches and between distance and traditional teaching, as well as to write a handbook that will cover aspects of designing and delivering management education at a distance.

Symposium Considers Trends in Marketing

Panel discussions facilitated by faculty members in the marketing department were featured at the Marketing Symposium, hosted annually by the Marketing Club at the Business School.

Marketing specialists from companies in the consumer products, high tech, industrial and pharmaceutical industries came together at the Symposium to discuss their views on trends in their re-

spective businesses.

The event gave MBA and BBA students an opportunity to talk about career opportunities with representatives of some of the top companies in the country, such as Abbott Laboratories, Ford Motor Company, General Mills, Kraft, Pillsbury and Procter & Gamble, as well as to hear from them about the marketing issues their

companies are facing.

The keynote address was delivered by Sunil Gupta, assistant professor of marketing, who directs HERMES, a semi-annual survey of Web users, and so is charting the development of this rapidly expanding marketplace. (More details on this survey are available at the HERMES site: <http://www.umich.edu/~sgupta/hermes/>.)

News About Changes at the University of Michigan Business School

This year, several important new positions have been created, and some changes have been made in crucial existing positions at the University of Michigan Business School. For example:

■ **RAJEEV BATRA**, associate professor of marketing, has accepted an appointment as the first research director of the Davidson Institute. He will shape the Institute's research agenda, striving to build a body of knowledge on transitional economies by creating an accessible knowledge-building system and a learning cycle in which operational activities and research feed programs and lead to additional research. In addition he will head the Institute's efforts to disseminate this knowledge and will participate in strategy formulation and planning for the Institute. Professor Batra has served as a member of the core faculty of the Institute's Executive Development Program, and teaches in the marketing portion of the program.

■ **M.P. NARAYANAN**, associate professor of finance, has been appointed Faculty Director of the Davidson Institute. In this position, he will oversee faculty development and involvement in the Institute, recruit faculty for the Institute's expanding programs, and participate in strategy formulation and planning for the Institute. Professor Narayanan has served as faculty director of the Institute's Executive Development Program (EDP) for managers from transi-

tional economies since its inception in 1993. In addition to developing and running this program together with a small core faculty, he also teaches the finance part of the program, which has been especially well received. As part of his new duties, he will retain his role as faculty director of the EDP.

■ **VALERIE SUSLOW**, associate professor of business economics and public policy, is the newly appointed academic director of the



Valerie Suslow, new academic director of the Evening MBA Program



Jeanne Wilt, new director of the Office of Career Development



Rajeev Batra (left), newly appointed research director of the Davidson Institute, and M.P. Narayanan, new faculty director of the Davidson Institute.

Evening MBA Program. She is currently working with faculty to improve the overall quality of the Evening Program, to strengthen our relationships with corporations who sponsor significant numbers of students in the program, and to explore and evaluate alternatives to the School's current method of delivering MBA courses to part-time students. "The Evening Program is of critical importance to the School," said Associate Dean Edward Snyder in announcing

Suslow's appointment. "Her efforts to strengthen the program will be valuable, and I thank her for taking on this responsibility."

■ **JEANNE WILT**, MBA '89, is the new director of the Office of Career Development, a role which includes Recruiting and career services. She is currently focusing on the integration of the offices of career services and recruiting services into one unit, reviewing the range of counseling services OCD provides and understanding the mix of companies that recruit at Michigan, to ensure that OCD is continually meeting both student and company customer needs. For the past three years, she served as director of Alumni Relations for the School. She holds a bachelor's degree in chemical engineering from the University of Toledo, and previously worked as a senior analyst for Union Pacific Railroad and as a project manager for Exxon Research and Engineering.

Gregory Fox

Gregory Fox

Gregory Fox

Business School Does Well in Various Rankings

■ THE MICHIGAN BBA PROGRAM tied for third place in the first-ever ranking of the nation's undergraduate business programs conducted by *U.S. News and World Report*. In the overall program rankings the University of Michigan Business School received an average score of 3.6, placing it in a four-way tie for third place, along with Carnegie Mellon, MIT's Sloan Business School, and North Carolina at Chapel Hill. The University of California at Berkeley and the Wharton School at the University of Pennsylvania each tied for first place with an overall average score of 3.7. No institution was ranked in second place.

Departments within business programs were also ranked, and the Business School was among the top five in accounting (3rd), finance (3rd), general management (1st), international (4th), marketing (2nd), and production/operations management (4th).

■ TOP SCHOOLS FOR A TECHNO MBA were ranked by *Computerworld* magazine, based on a survey of 296 corporate recruiters at both large and medium-size firms who hire people with MIS and MBA degrees. Deans of accredited business schools were also polled. The University of Michigan was ranked sixth in that study. Recruiters commented that of the 289 U.S. business schools that offer Techno MBA programs, the "Top 25" offer the strongest mix



of business, technical, analytical, team and communications skills and relevant work experience.

According to *Computerworld*, Techno MBAs will number only about 3,000 of the roughly 88,000 MBAs that the American Association of Collegiate Schools of Business says will be awarded in spring, 1996. But the schools say demand is brisker than ever, and many are projecting a strong increase in enrollment.

■ HIGH-TECH EXECUTIVE EDUCATION programs were written up in the Oct. 23, 1995 issue of *Business Week*. The article mentioned the U-M Business School's customized MBA degrees via videoconferencing to managers at Daewoo Corp in Korea and Cathay Pacific in Hong Kong. "The satellite classroom will make business courses from professors at the top schools far more accessible to managers, no matter where they are," said the *Business Week* article. "It's likely to dramatically alter the field of executive education — and extend the work day for many harried managers." The University of Michigan Business School appeared in the magazine's listing of the 20 top providers of executive education, based on a *Business Week* survey of deans and program directors, but none of the 20 were ranked.

General Electric Provides Funds to Support "Faculty of the Future"

Directors of the General Electric Fund have approved a \$300,000 grant, payable over three years, to support efforts designed to increase the diversity of students in doctoral programs and of business school faculty nationwide.

The program will launch several interrelated initiatives enabling the University of Michigan Business School to develop new sources of minority applicants for Ph.D. programs, to develop a minority graduate fellowship program, to expand the forgivable loan program, and to support faculty development. The initiatives are being launched through a working partnership with Tuskegee University, and through established and new relationships with other historically black colleges and universities, as well as Native American institutions.

"One of our greatest challenges over the next five years is that of increasing diversity in the Ph.D. program and among the faculty," commented B. Joseph White, dean of the Business School. "We are well positioned to meet that challenge. With this support from the GE Fund, we can become a valuable source of talented minority faculty members for business schools across the country."

Other financial resources at the University of Michigan and its Business School will contribute to the overall support of this program.

For example, the Horace H. Rackham School of Graduate Studies offers minority fellowships to graduate students pursuing the Ph.D. degree. In the Business School, several endowed fellowship funds support doctoral students.

At the undergraduate level, students will be nominated by their respective deans for participation in the program, and a faculty member from the student's home institution will be assigned as a mentor to each selected student. The mentor, who will be a faculty member currently engaged in the field the student aspires to join, will provide guidance and counsel with respect to the effort required to obtain entry into a doctoral program, as well as providing the student with an appreciation and understanding of the challenges and rewards associated with the mentor's role.

During the summer of either the junior or senior year, each student will participate in a three-week Ph.D. awareness seminar which will expose students to the excitement and potential satisfaction of doing business-oriented research and teaching. The seminars will include such topics as fundamentals of research design, the use of statistics in doing business research, how to write for publication, and discussions of university faculty career issues.

The University of Michigan Business School is uniquely qualified to design

and implement this summer seminar component because of its three-year experience in hosting the Minority Summer Institute sponsored by the American Association of Collegiate Schools of Business (AACSB). The Institute was designed to prepare a select group of undergraduate students of color to consider graduate education in business administration and economics.

The "Faculty of the Future" program is being directed by Edwin Miller, professor of business administration, and Taylor Cox, associate professor of organizational behavior and human resource management.

Six Faculty Members Promoted at Business School

Promotions of six faculty members have been approved by the Regents as follows:

Michael Johnson, to professor of marketing; and Scott Masten, to professor of business economics.

Lynda Oswald, to associate professor of law, history and communications, with tenure; Taylor Cox, to associate professor of organizational behavior and human resource management, with tenure; and Will Mitchell to associate professor of corporate strategy, with tenure.

Francine Lafontaine was promoted from assistant

professor of business economics to associate professor without tenure. She also holds the Sanford R. Robertson Assistant/Associ-

ate Professorship, a one-year term professorship which provides financial resources to support the faculty member's academic work.



Michael Johnson,
professor of marketing



Scott Masten, professor of
business economics



Will Mitchell, associate pro-
fessor of corporate strategy



Francine Lafontaine, associate
professor of business economics

Kendrick Award Goes to Doctoral Student in Marketing



Milton Kendrick, right, who established the endowed annual Milton and Josephine Kendrick award to honor a Ph.D. candidate who has demonstrated excellence in the field of marketing, is pictured with his daughter, Janet Cassabaum, and Sanal Mazvancheryl, who won the Kendrick award this year. Before en-

tering the Ph.D. program, Mazvancheryl worked as a manager of strategic planning with J. Walter Thompson. His research focuses on understanding, measuring and managing the brand equity concept and testing the implications of industrial organization theories on marketing activities.



Lynda Oswald, associate
professor of law, history and
communications



Taylor Cox, associate
professor of organizational
behavior and human resource
management.

Class Notes

45 **Mary A. (Driver) Weatherhead** BBA '45

writes that she and her husband, Tom, own a consulting firm which specializes in alternate fuels - specifically scrap tires - for burning in cement kilns. Mary writes us that she has not sent information in to Class Notes in the past because she has not worked outside the home since graduation. However, she says, "Was my education wasted? I think not. What do you think?" She goes on to say that she and her husband raised 13 children, all of whom have college educations. They include two physicians, three teachers, two chemists, four business owners/managers, and two health care workers, and have given Mary and Tom 34 grandchildren. The couple spends their winters in Florida and their summers in Wayland, Michigan.

52 **David K. Eiteman** BBA '52

is currently living in Penang, Malaysia, where he is working on a revision of his text on multinational business finance and conducting research on the impact of the Penang Free Trade Zone on income distribution in Malay families. He is professor emeritus of the Anderson Graduate School of Management at UCLA.

Philip M. Smith BBA '51, MBA '52

has been given a three-month assignment to the College of Business Administration in Bielsko Biala, Poland, by the National Forum Foundation - American Volunteers for International Development. There he helped to train students for effective operations in the competitive arena of a free market economy. After graduation from the Business School, Philip served as a budget accounting office in the USAF at Limestone AFB, Maine, and then spent 35 years in financial management with General Electric and TRW, Inc. After retiring in 1989, he consulted with Vermont small businesses, primarily through the University of Vermont - Small Business Development Center and Greenbriar Resources of Underhill, Vermont, and also taught management (cost) account-

ing at Norwich University. Philip and his wife Marcia have three daughters, one son, and six grandchildren.

59 **David A. Perry** BBA '59

is the newly appointed secretary and general council of Clarkson Controls and Equipment Company in Redford, Michigan. The company manufactures and supplies high performance thermoplastic tower packing and supplies various processing control devices.

William A. Hockenberger BBA '59

recently retired from Deloitte & Touche LLP to start his own consulting firm, William Hockenberger Consultancy. Formerly a senior manager and financial industry specialist in the managerial consulting practice of Deloitte & Touche LLP, Bill has over 30 years of experience in banking and management consulting. The firm specializes in banking, treasury management, and business planning and will offer the following services: treasury management review, bank selection, treasury department project implementation, business planning, and part-time cash management.

James C. Park BBA '59, MBA '61

who is president and CEO of Besser Company, accepted the "President's E Star Award" for sustained excellence in exporting on behalf of over 600 Besser employees worldwide. Besser Company, the world's leading manufacturer of concrete products machinery, received the award in October 1994 at the Besser World Headquarters in Alpena, Michigan. During the ceremony,

CORRECTION

Dividend apologizes to the *Ann Arbor Observer* and writer Ken Garber, whose article on Jerry Campbell of Republic Bancorp was a source for the article on Campbell that appeared in the Spring, 1995 issue of *Dividend*. Correct attribution was inadvertently omitted and we regret the omission.

attention was called to the company's achievement of conducting business in "90 countries in 90 years." The "E Star" award is the nation's highest award for excellence in exporting, and honors companies that either are exporting directly or assist trade efforts through financing, transportation, international market promotion, or other export-related services. The "E" stands for Exports, as well as Expansion, Excellence and Effort. Since 1961, when the "E" award program began, 1,800 companies and organizations have received "E" Awards and 300 have been presented "E Star" awards.

62 **Jeffrey E. Jarrett** BBA '62

is a professor in the Department of Management Science at the University of Rhode Island. He writes that he was the recipient of the Robert W. Pearson Award for his applied research paper. The award was presented at the 1995 northeast regional meeting of the Decision Sciences Institute in Providence, Rhode Island.

64 **Samuel H. Hazleton IV** BBA '64, MBA '65

is entering his 26th year as a career agent for Northwestern Mutual Life, located in Albany, New York. He is a life and qualifying member of the Million Dollar Round Table. He and his wife Karen have five children and eleven grandchildren. They recently moved to Lake George, New York, and also have a condo in Longboat Key, Fla. Sam writes that he is still a "loyal Wolverines fan."

65 **Carl John Bauer** BBA '65, MBA '66

writes that he is head of investment advisory for the National Bank of Bahrain, which is located in the Arab Gulf. In July of 1995, the Bank closed its \$50 million NBB Guaranteed Fund, the largest of its kind ever underwritten in Bahrain. The deadline for subscription was extended after brisk demand for the fund resulted in an increase in the amount from \$30 million to \$50 million. The fund invests in financial futures and foreign exchange and matures in July 2000. Investors came from Bahrain, Saudi Arabia, Kuwait and the United Arab Emirates.

Jim Stanley, MBA '67

Selected a Marketing Superstar by *Advertising Age*



Jim Stanley, marketing superstar, with some of his product.

Jim Stanley, MBA '67, vice president of marketing at Kendall-Jackson Vineyards & Winery, has been named to *Advertising Age* magazine's 1995 Top 100 Marketers list. "Like a winemaker blending vintages, Jim Stanley mixes his marketing plan with attention to taste and style," wrote *Advertising Age*. "The result of his efforts has been the rise of the 12-year-old Kendall-Jackson Vineyards and Winery to one of the *Wine Enthusiast's* top five 'power' wine brands in the nation."

Since Stanley joined Kendall-Jackson in 1993, sales volume has doubled, and the company is now the fastest growing super premium winery in the world, with shipments of about two million cases annually. Stanley has been able to achieve such dramatic results by transferring successful brand-building strategies used in other industries. Specifically, he has created a separate "flavor domain manager" for each of the 10 independent wineries under Kendall-

Jackson's Artisans and Estates corporate umbrella. He subsequently empowered these managers to create their own distinct product line identity by becoming experts in their individual product areas. Before taking the job with Kendall-Jackson, Stanley was director of marketing on premium table wines for Gallo Winery.

Stanley's competitive zeal doesn't end with the work day. He is an avid triathlete who has twice finished the Ironman World Championship in Kona, Hawaii, where competitors complete a 2.4-mile ocean swim, a 112-mile bike ride over lava fields, and a 26.6 mile marathon run.

Stanley and his wife, Linda, who graduated from U-M in 1967, live in Modesto, Calif. Their daughter, Karyn, just enrolled at the U-M.

to National AIA, and as a lecturer for the AIA Intern Development Program. He is also a member of AIA-Detroit, where he has served as president, vice-president, treasurer and chair of the Public Relations Committee. In 1992, he received an award designating him AIA Board Member of the year.

Paul S. Foote BBA '67

is now a visiting professor of accounting at Sultan Qaboos University, College of Commerce and Economics in Muscat, Sultanate of Oman, and writes that this summer he took a trip to Iran. He also tells us that his son David is the author of the computer game *Star Reach*, which, he says is available at computer stores everywhere. His daughter Sheila is a student at the University of California-Berkeley.

James M. Stolze MBA '67

has been named executive vice president and chief financial officer for MEMC Electronic Materials, Inc., the world's second leading supplier of silicon wafers for the semiconductor industry. The company employs about 6,000 people worldwide, and became the first publicly traded silicon wafer manufacturer when it began trading on the New York Stock Exchange July 13. Jim was previously employed by KPMG Peat Marwick for 28 years and became a partner there in 1977. He currently serves on the board of the Missouri-Illinois Region of the American Red Cross and the board of advisors of the Institute of International Business at St. Louis University.

66 Robert H. Gardner MBA '66

has been working in Moscow, Russia as a consultant and vice president of operations for telecommunications companies. He has also started retail and wholesale distribution companies specializing in distributing and selling high quality, branded, imported, men's and women's clothing in Moscow and the Russian Federation. Robert writes that the business is expanding rapidly and he is in search of a strategic partner or companies interested in joint cooperation.

67 Daniel Redstone BArch '65, MBA '67

who is president of Redstone Architects in Southfield, Mich., was recently reappointed

to the procedures and documents committee of the National Council of Architectural Registration Boards, which is responsible for interpreting Council standards and studying the effectiveness of Council documents. He has previously served on the Professional Conduct Committee and as a grader for the Architect Registration Examination. Dan's extensive experience regulating the practice of architecture includes his service to the Michigan Bureau of Occupational and Professional Regulation, which he has served by gubernatorial appointment since 1992, acting as the board's secretary, vice chair and chair. In 1994, Governor Engler appointed Dan to serve as the architect member of the Board of Engineers. In addition, he has provided leadership to the American Institute of Architects (AIA) as Michigan Society of Architects Legislative Liaison

71 Lionel A. Whiston, MBA '71

is vice president and senior credit officer at the Chicago-Tokyo bank, located in Chicago, Ill.

Carlisle R. Davis MBA '71

retired in June from General Motors after 37 years in engineering, quality and program management. In August he was appointed vice president of quality assurance for the Outboard Marine Corporation in Waukegan, Illinois, makers of Johnson and Evinrude outboard motors, and Chris Craft and Four Winns Boats. He and his wife will live in the Chicago North Shore area.

Martijn Sanders, MBA '69

Is Chief Executive of One of the World's Great Concert Halls

Martijn Sanders, MBA '69, who is managing director of one of the world's great concert halls, Het Concertgebouw, Amsterdam, says his days at Michigan really shaped his way of thinking. "In school, I found case studies passionately interesting," he told the *Monroe Street Journal*. "Break even analysis hardly seems like a term you'd hear echoing down the corridors of a concert hall, but these techniques provide me today with a useful way of approaching practical problems." Het Concertgebouw presents over 700 concerts per season, and regularly features leading performers from around the globe. It is an impressive facility, including a 2,037-seat Main Hall, and a 478-seat Recital Hall.

Last May, Martijn pulled off one of the great coups in arts management by bringing together in Amsterdam the Vienna Philharmonic Orchestra, the Berlin Philharmonic Orchestra and the Royal Concertgebouw Orchestra of Amsterdam to perform the entire cycle of Mahler symphonies. It was an unprecedented collaboration and a smashing success.

Martijn employs a "high volume" strategy in keeping the Concertgebouw financially sound. Unlike most European arts organization, which are heavily subsidized, only 6-7% of the Concertgebouw's operating budget comes from government subsidy. The rest is derived from corporate sponsorships (about 35%) and ticket sales (about 60%). By offering over 200 concerts per season, spanning a wide range of musical styles, the Concertgebouw is able to attract audiences with a variety of tastes in order to boost capacity utilization. Martijn has been particularly successful in filling a void in the marketplace of young children's musical events. "An important part of my job is to cultivate an appreciation for the performing arts among the next generation," observes Martijn. "That's why we've instituted programs like our free lunch concerts and open rehearsals, for new ears to have the chance to listen, and be hooked for life."

Martijn, who is considered by his colleagues to be one of the finest performing arts presenters in the world, is president-elect of the International Society for the Performing Arts (ISPA), which includes the top performing arts presenters and artists' managers from all over the world. He is only the second non-U.S. elected president of the organization, which is growing dramatically. "There are a few issues I want to take on as president," says Martijn. "My first priority is to serve as a conduit between professionals. I want the organization to serve as a marketplace for the exchange of creativity, information, esthetics. In so doing, I hope to bring a more global consciousness to the art world, as I have tried to do at Het Concertgebouw."

Before becoming managing director of Het Concertgebouw, Martijn spent ten years as managing director of Joachem's Theaters, a chain of cinemas in the Netherlands.



Gregory Fox

financial officer for the U.S. Department of Education and lives in Oakton, Virginia.

74 Mark J. MacGuidwin BBA '74

has been appointed vice president, controller at Varity Corporation's world headquarters in Buffalo, N.Y, where he is responsible for consolidation of financial results and financial reporting to shareholders and the SEC. He is also responsible for information technology, operations and strategy for Varity headquarters. Varity ranks among the largest U.S. industrial companies. Its businesses include Kelsey-Hayes, a major supplier of brake system products; Dayton Walther, a leading manufacturer of wheel and brake components; and Perkins, which supplies diesel engines to more than 600 equipment manufacturers throughout the world. Varity also holds a 46% interest in Hayes Wheels International, Inc., which is the world's largest manufacturer of aluminum and steel wheels. Before moving to Varity, Mark was vice president, finance, for Libbey-Owens-Ford of Toledo. Earlier, he worked for Ernst & Young.

78 Fuad S. Saba MBA '78

writes that he is presently a senior tax manager in the international tax group at KPMG Peat Marwick LLP in Denver, Colorado, where his practice focuses on cross-border transactions in the industries that are hot in the area: cable television operations, cable TV programming, telecommunications, software and high-tech medical manufacturing.

79 Mary Kay Haben MBA '79

has been named executive vice president of Tombstone Pizza at Kraft Foods. She is currently also serving as chairwoman of the Alumni Society Board of Governors at the University of Michigan Business School.

Bill G. Zeilstra MBA '79

who is controller at Kamp's Pallets, Inc. in Grand Rapids, tells us that he wrote a grant proposal to the Michigan Department of Natural Resources to start a project that would divert wood waste from

73 Michael R. Julien BBA '73

has left Arthur Andersen's Grand Rapids office after 21 years of service to become the vice president of taxes at Meijer, Inc. of Grand Rapids. Meijer operates over 100 superstores in Michigan, Ohio, Indiana, Kentucky and Illinois.

Mitchell L. Laine BBA '73

is now president-elect of the Association of Government Accountants (AGA), an international organization of over 11,000 members dedicated to the enhancement

of public financial management. The association serves government officials and the public through its efforts to ensure full and fair accountability for all public moneys, and by providing a variety of pro bono services throughout the United States and its territories. Mitch also serves as the chairperson of the American Institute of Certified Public Accountants Committee on Members in Government. In December, 1994, he received the U.S. Department of Education Executive Management Award in appreciation of efficiency and effectiveness in the field of management, presented by Secretary of Education Richard Riley. Mitch is the deputy chief

land fills. Instead of being thrown away, wood pallets would be shredded and then colored to become a ground alternative to bark. The \$158,000 grant, which was approved, will be used to purchase the coloring equipment, bagging machinery, conveyors, and a special semi-trailer.

Tim Bartholow

B.Mus., M.Mus., '73/'74, MBA '79

recently accepted a position as the first director of performing arts at the University of Georgia, after having spent four years as the general manager of the Lied Center for Performing Arts at the University of Nebraska. Tim writes that the University of Georgia is in the middle of a two-phase building program dedicated to making the University a major player in performing arts. Phase I, which is now complete, includes two new theaters, a new museum of art and a new music classroom building. Phase II will include a new drama theater and classroom building. There are also three older performing spaces on campus, and Tim will direct the fine arts programming in all six theaters. Previously, Tim spent five years with AA&Co., and was a financial manager with the New Orleans Symphony and the Chicago Symphony.

Timothy F. List

MBA '79

writes that as a director of Business Development for Campbell Soup Company, he recently led the acquisition by Campbell's of Pace Foods, Ltd., the number one marketer of Mexican food sauces, such as picante sauce and salsa, in the U.S. This was a \$1.1 billion acquisition, the largest in Campbell's 125 year history. Tim also led the post-acquisition business integration team. He and his wife Paula, and their three sons have been living in the Philadelphia area since 1991, and would be happy to hear from Michigan alumni living in the area or from alumni via e-mail.

80 Maxine Lans Retsky
MBA '80

married Jonathan E. Retsky, a patent attorney, July 15, at the hotel Nikko Chicago. Fellow classmate Nancy Tauber (MBA '80) was Maxine's maid of honor. Maxine and Jonathan honeymooned in Kauai and French Polynesia. Maxine is a marketing lawyer at Pattishall McAuliffe, specializing in promotion and trademark

law and is also the legal editor of *Marketing News* magazine.

John M. Ranke

BBA '80

is a member of the International Tax Services group at the Detroit office of Price Waterhouse and was recently promoted to partner. After receiving his law degree from Wayne State University Law School, John joined Price Waterhouse's Detroit office tax department in 1984. Following a two-year stint in private legal practice in 1987-88, he rejoined Price Waterhouse, where he has been a member of the International Tax Services group since 1990. John has specialized in marketing, coordinating and delivering the full range of international tax services to multinational clients of the Detroit, Toledo and Battle Creek offices, including Kellogg, Dana, Dow Corning, Asgrow Seed, Kelly Services, Kmart and Mitsubishi Motors of America. He has also been instrumental in attracting and providing specialty services to Chrysler Corporation and Amway Corporation. John and his wife Cathy, and their three children live in Bloomfield Hills, Michigan.

81 R. John Aalbregtse
MBA '81

was recently admitted as a partner to the U.S. partnership of Andersen Consulting, the global management and technology consulting organization. John is a consultant within Andersen Consulting's Strategic Services practice in Chicago, with responsibility for the process industry group. He specializes in business process reengineering, restructuring, and supply chain strategy.

Robert L. Shapiro

MBA '81

has been named product manager for DOSE Systems, Inc., a software development company in Ft. Worth, Texas.

82 Cathy A. Weissenborn
BBA '82

has been promoted to partner for the Detroit office of Price Warehouse. She started her career with Price Warehouse in 1983 in Houston, transferred to Detroit in 1987 when she was promoted to manager, transferred back to Houston in 1989, and back to Detroit in 1993. Cathy's industry specialties include financial services and retailers. She also has extensive experience

managing initial public offerings and due diligence on major acquisitions. Her client service experience has included Rouge Steel, OfficeMax, United Technologies Automotive and Fretter Inc. She earned the Chairman's Client Service Award in 1993 and is involved in the Women's Economic Club and the Retail Financial Executives Group. She and her husband Jim recently celebrated the birth of their second child, Andrew, on July 6, 1995. They also have a two-year-old son, Clay.

Brian D. Doerner

MBA '82

became a partner this summer at Ballard Spahr Andrews & Ingersoll, a 275-lawyer firm based in Philadelphia. He practices principally in the areas of securities, mergers and acquisitions and general corporate law, and writes that he graduated from the University of Pennsylvania Law School in 1987.

83 Mark R. Kennedy
MBA '83

recently joined Department 56, Inc., the leading giftware supplier of Christmas villages, snow babies, etc., as the chief financial officer. He and his wife Debbie, and their four children have returned home to Minnesota (headquarters of Department 56 Inc.) and have purchased a 60-acre farm just west of Minneapolis.

Kelley M. Maier

MBA '83

has been promoted to vice president of marketing for Dole Fresh Vegetables - a \$500 million division of Dole Food Company. Formerly Kelley had marketing positions at Pillsbury, Kraft and Kentucky Fried Chicken. She has lived for nearly five years in California and says "Monterey is truly one of the most beautiful spots in the United States!"

Peter M. Kelley

BBA '83

is now a partner at the Price Warehouse office in Battle Creek. Peter began working for Price Warehouse in Detroit in 1983, was promoted to manager in 1988, and to senior manager in 1991 when he transferred to Battle Creek. His most recent client responsibilities have included the auditing of Kellogg Company, Dow Corning Corporation, Gantos Inc. and the Kellogg Foundation. He has also been involved in several significant litigation

Susan Arneson, MBA '84

Wins Award for Outstanding Service

Susan Arneson, MBA '84, vice president of marketing and business development for Testing Engineers & Consultants, Inc. (TEC), has received the 1995 Roger W. Truesdail Award for outstanding service from ACIL, the trade association representing the nation's independent scientific, engineering and testing industry.

Susan has been active within ACIL for more than a decade. She helped to launch its Business Practices Review Program and has aided the association's membership development and member services initiatives. In 1994, she was elected to a three-year term on the ACIL board of directors.

Susan, who holds both bachelor's and master's degrees in biology, has 18 years experience in the technical and marketing management of professional services. Before joining TEC in 1990, she worked in marketing and operations for Detroit Testing Laboratory. TEC operates four facilities in Michigan and has 150 employees. It provides consulting engineering and testing services in the environmental, construction, geotechnical and applied technology fields.

ACIL members operate thousands of facilities across the U.S. and abroad and offer a range of laboratory, analytical, testing, inspection, research and consulting services to clients in commerce, industry and government.

Susan is married to Allen Weaks, MBA '83, a marketing consultant. She is an avid advanced master gardener, and regularly volunteers her time for the Oakland County Cooperative Extension Service, giving garden talks to local community groups.

support engagements and merger/acquisition assignments. Outside of the office, Peter is a board member and co-chairperson of Junior Achievement of South Central Michigan, and in 1994 earned JA's national Silver Leadership Award for outstanding volunteer service. He is also active with the Burnham Brook Senior Center and Substance Abuse Council in Battle Creek.

84 Kevin F. Densky BBA '84

has accepted the position of regional director of marketing for Healthcare Services Group, Inc. in Memphis, Tennessee, a management services company involved in the long term health care industry. He was married in October, 1994 to Karen Silien, a Ph.D. student in counseling psychology at the University of Memphis.

85 Timothy J. Ryan MBA '85, JD '85

was recently featured in *Crain's Detroit Business* magazine as one of Metro Detroit's 40 most successful business executives under the age of 40. Tim is the executive vice-president and general council for Detroit-Macomb Hospital Corporation (DMHC), based in Warren, Michigan. He says his biggest achievements have been integrating risk-management and quality assurance operations,

and working with the executive team to turn the company's \$8 million loss in 1990 into a \$5 million profit in 1994.

Thomas R. Northenscold MBA '85

is now the chief financial officer of PPT, Vision, Inc., located in Eden Prairie, Minnesota. PPT is in the machine vision business and is traded on the NASDAQ. Fellow alum Joe Christenson (MBA '85) is the president.

86 Robert E. Barron MBA '86

is now the senior vice president of finance at Twentieth Century Fox TV in Los Angeles, where he is responsible for all financial analysis, strategic planning, budgeting, forecasting and production accounting.

Jong-Woo Kim MBA '86

is now working as a marketing manager in Jakarta, where he is responsible for Philip Morris's tobacco business in Indonesia. Before being relocated, he worked in Seoul. He writes that he would "love to get in touch with Michigan B-School alumni who are living in or happen to pass by Jakarta." He has been married for seven years and has two children, Helen and Ted.

Michael J. Halpern MBA '86

who became the manager of the Merrill Lynch office in Ann Arbor in 1993, has now been promoted to full vice president. The Ann Arbor branch of Merrill Lynch manages approximately \$1 billion of client assets and employs 40 people. Michael, who lives in Ann Arbor with his wife Kelly and daughter Lauren, joined Merrill Lynch as a financial consultant after receiving his MBA.

87 Roshunda L. Price-Harper BBA '87, JD '93

joined the law firm of Howard & Howard Attorneys, P.C. this fall at its Bloomfield Hills, Michigan office, where she will specialize in business law. Prior to receiving her law degree, Roshunda, a certified public accountant, worked in the audit division of Arthur Andersen & Co. in Detroit from 1987 to 1990. After law school, she served as a law clerk to

Bruce Schwartz, MBA '84

Is President of a Firm That Won American Business Ethics Award

Bruce Schwartz, MBA '84, writes us that his company was one of four winners nationally of the American Business Ethics Award, sponsored by the American Society of Chartered Life Underwriters and Chartered Financial Consultants in association with *Forbes* magazine. Bruce's company, Jerith Manufacturing Company, Inc. is a national fabricator of aluminum ornamental fences. It recently installed a \$1.5 million finishing system that improved the quality of the finishing on the fences and allowed Jerith to provide an unlimited lifetime warranty on its products while lessening the environmental impact of manufacturing. Jerith was founded by Bruce's grandfather 44 years ago. His father is currently chairman of the company. The award read, "Throughout its 44 year history, the company has demonstrated a continuous dedication to quality production techniques, honest pricing and sales practices, and environmental responsibility." Previous award winners include Texas Instruments, Levi Strauss, and Merck & Co.

the Honorable John Feikens, United States District Court, Eastern District of Michigan. Currently, Roshunda is a member of the executive council of the Young Lawyers Section of the State Bar of Michigan, and she is also a member of the Wolverine and American Bar Associations and the Michigan Association of CPAs.

88 **Phillippe Prufer**
MBA '88

writes that after six months as director of business development for Eli Lilly Brazil, he now has a new assignment as director of Pharma Operations, where he will be responsible for over 350 employees and sales in excess of \$150 million. While director of business development, Phillippe started a dedicated Diabetes Business Unit and created a Diabetes Disease Management Program with Harvard University/Joslin Clinic/Brazilian Society of Diabetes. He says his goal is to assist Eli Lilly Brazil to further grow its business via internal growth and local acquisitions/strategic alliances. Phillippe and his wife Alexandra have three children, and he encourages anyone visiting Sao Paulo, Brazil to get in touch with him. (Fax. No. is 55-11-532-6966)

Patrick W. Cranley
MBA and MA, Asian Studies '88

has a new job as the deputy chief representative for CIGNA Corporation in Beijing. He has been with CIGNA, a multinational insurance and financial services company, since graduation, always working in the international area. Pat's new responsibilities will include servicing CIGNA's global clients who have insurance exposures in China, developing CIGNA's relationships with Chinese businesses and government organizations, and building an effective team of CIGNA employees in China. Pat's former position was director, emerging markets, for CIGNA International (a division of CIGNA Corp.) He was stationed in Singapore from 1989-1992. He and his wife and two children are now living in Beijing.

Michael J. Reilly
MBA '88

was recently promoted to international product manager at Sanofi SA based in Paris, where he is responsible for the development of the osteoporosis strategy and worldwide launch of upcoming

David Galbenski, BBA '90

Co-Founds Firm Specializing in Temporary Legal Workers

A new company co-founded by David Galbenski, BBA '90, and Mark Adams specializes in helping law firms and corporate legal departments throughout Michigan to handle any workload by staffing with temporary legal help. Since it was founded in 1993, AmeriClerk has developed a rapidly expanding client list.

AmeriClerk's clients can tap into the company's database of hundreds of temporary lawyers and law clerks to find the right candidate to perform legal research and writing on a project-by-project basis, to serve as a member of a trial preparation team, or even to cover a court appearance. Clients also use AmeriClerk to maintain proper staffing levels during sick leave, leaves of absence and maternity leaves. "By using temporary lawyers and law clerks, our clients increase their staffing flexibility and decrease the cost of serving clients," says David, who graduated cum laude from Wayne State University law school and worked in the commercial litigation department of Detroit's Timmis & Inman before becoming president of AmeriClerk. The company's clients include Michigan Consolidated Gas Company; MCN Corporation; Universal Standard Medical Laboratories, Inc.; Kerr, Russell & Weber; Timmis & Inman; and David D. Patton & Associates.

AmeriClerk's success in Michigan parallels the tremendous growth taking place in the professional segment of the temporary placement industry across the country. According to *Crain's Detroit Business*, lawyers are one of the last of the professions to fill the ranks of contract labor, but an estimated 40,000 lawyers and paralegals were employed as temps last year.

Several factors are contributing to the trend for contract legal services, among them: corporate downsizing, a glut of law school graduates, a growing demand for fixed-fee rather than per-hour legal service arrangements, and disenchantment with career-track lifestyles.



products in the segment. He has been in Paris for over two years and was previously assistant director of strategy for the company's pharmaceutical unit. Sanofi is a healthcare and beauty company with such brands as Yves Saint Laurent and Yves Rocher and is majority owned by Fance's largest industrial firm, Elf Aquitaine. Mike, his wife Eyde, and sons Brian, Daniel and Zachary live in Paris. His e-mail address is michael.reilly@tisl.elfsanofi.fr.

89 **Matthew A. Kenkel**
MBA '89

owns the Farmington Hills, Michigan office of ERA - Banker's Realty, Inc. Matt writes that real estate activity in the greater Detroit area is outstanding, adding that homes are currently appreciating at double digit rates. His company is a full service broker serving Oakland and Wayne Counties since 1981.

Roger Shubert
BBA '89

has been promoted to senior consultant at Lante Corporation, which specializes in information systems consulting and systems integration and is located in Chicago. Both Roger and his wife Elaine are evening MBAs at Northwestern.

Mark Jonathan Chekal
BBA '89

just completed his masters program in public health at the University of California, Berkeley, and has started a doctoral program in public health at UCLA, where he will be focusing on HIV prevention, particularly in the population of homosexual males.

Cristina Vásconez, MMus '90, MBA '90



Named Marketing, PR Director of Atlanta Opera

Cristina Vásconez, who received both her master's in music and her MBA in 1990, is putting both degrees to good use in her new job as marketing and public relations director of the Atlanta Opera. She joined the Opera in early 1995, and in less than a year on the job has increased the number of subscribers by 30%. How has she done this? By a variety of creative promotions (e.g., an advertising campaign directed at listeners of a local rock-format radio station), and by expanding both the number of annual productions and the performances of each production. "The focus (of the ad campaign) was to sell the spectacle of opera to an audience that understood spectacles but had never been to an opera performance," she explains. "A lot of my marketing

strategies are built around selling our product to younger, non-traditional opera-going audiences. That's where the future market is." To make the experience more appealing, the Opera provides super-titles on three, strategically-placed big screens so that audiences can follow the plot when it's being sung in a language other than English.

The Atlanta Opera, which was formed in 1979 by the merger of two smaller companies, books internationally acclaimed artists from around the globe. Business operations for the 4,500-seat facility have grown from \$1 million to \$3 million over the last five years.

Before joining the Opera, Cristina, who is an accomplished pianist as well as a member of the Atlanta Symphony Orchestra Chorus, worked with the Atlanta Symphony Orchestra: first as audience development director, and later as director of public relations. She got her start in the business side of music as a fellow in the American Symphony Orchestra League's Orchestra Management Program. Through ASO, she got on-the-job management training with the San Francisco Symphony, the Cincinnati Symphony Orchestra and the Rhode Island Philharmonic.

Cristina, who is of Ecuadorian descent and is fluent in Spanish, has been selected to serve as an attaché to Ecuador for the 1996 Atlanta Centennial Olympic Games. She is on call to find housing for athletes, give tours and schedule practice places and times for the Ecuadorian teams.

North Carolina, and he writes that he would love to hear from alumni at "herbh@vnet.ibm.com".

Joel D. Smernoff MBA '91

this summer completed a private placement to raise capital to start a local financial services firm, Target Investment Services, Inc. Joel's firm features two primary services — a mutual fund asset allocation program and a full service, discount brokerage. In August, Joel wrote, "The doors have been open for only three months and I am already putting the knowledge gained from the MBA program to good use. Especially helpful, as it turns out, were Prof. Dave Brophy's venture capital class and Prof. Will Mitchell's corporate strategy course. Target Investment is located in Gaithersburg, Maryland.

92 Leslie Ingold MBA '92

recently moved from Birmingham, Michigan to Minneapolis to accept a position as account executive on the national BMW account at Fallon McElligott advertising agency. Previously, Leslie was an account executive on the national Buick account at McCann-Erickson Detroit.

Jeff Schwartz BBA '92

has made a major career change from investment banking to medicine. He was previously a corporate finance analyst with Vector Securities International, and has now matriculated at the Rush University School of Medicine in Chicago. He expects to receive his M.D. in June, 1998.

Patrick Friel, MBA, MA '91 Amy Rubin, MBA, MA '92

were married this summer and write that many Business School alumni were at their wedding, including Cathy Relyea and Sue Haddrill, both MBAs '92; LeAnn Ericksson Guyton, MBA/MA '91; Jeff Guyton, MBA/MA '91; and Jennifer Billingsley, BBA '85. Both Patrick and Amy received their master's degrees in Asian Studies and both work for Dole Food, where Amy is in marketing and Pat is an internal consultant. They live in Thousand Oaks, California.

90 Mark T. Long BBA '90

has been named a senior associate with the Seattle, Wash. firm of The Myers Associates, P.C., which serves the accounting and tax needs of individuals and closely held businesses and also has a large not-for-profit client area. Mark is also currently the president of the University of Michigan Alumni Club of Seattle and is pursuing a degree in taxation from the Seattle extension of Golden Gate University.

91 Scott Michael Clements MBA '91

has been promoted to financial controller for Honeywell's China Region which covers Hong Kong, the People's Republic of China, and Taiwan. Scott is based in Hong Kong.

Herbert M. Hernandez III MBA '91

has joined the ThinkPad marketing team at IBM and will have worldwide responsibility for ThinkPad marketing and sales information. Herb and his family are excited about the move to Raleigh,

**Yvette Russell Hunter,
MBA '93**

**Becomes Brand
Manager for J & J**



Philip Duttito

Yvette Russell Hunter, MBA '93, has joined Johnson & Johnson Co. where she holds a rotational brand management marketing position in the company's Farmington Hills office. There she is part of a cross-functional team charged with promoting a broad line of health and beauty products, and over-the-counter pharmaceuticals.

Previously, Hunter had been an associate product manager at General Foods (now Kraft Foods) where she served a summer internship in 1992, and later was hired to work in the firm's beverage division. Her first project involved working with company attorneys to obtain FCC legal clearance on the "less sugar" claim for Kool-Aid. Later she helped to expand the Kool-Aid Burst single-serve market in convenience stores. As an intern, she developed strategies to promote Tang Instant Breakfast drink to Hispanic markets in the U.S. Hunter earned her bachelor's degree in political science and public administration from UCLA, and says her Michigan MBA education gave her "perfect preparation" for the daily challenges she faces as a brand manager.

**93 Andrew D. Wolff
MBA '93**

was married in March, 1995 to Noelle Cooper, a 1993 graduate of the U-M Law School. They now live in Colchester, Connecticut, where Lt. J.G. Wolff is assigned to an attack submarine, the USS Pittsburgh.

**Andrew V. Masterman
MBA and MA in Japanese Studies, '93**

is now president of Walbro Japan Inc., a subsidiary responsible for the manufacture, distribution and sales of Walbro small engine products in Japan. Walbro Japan employs about 220 people and has two offices, a factory in Miyagi Prefecture in northern Japan and a headquarters in Tokyo. As one of Michigan's fastest growing companies, Walbro Corporation has rapidly expanded its domestic and international presence over the last several years. Through focusing on advanced technologies and environmentally sensitive solutions, Walbro has established itself as a leader in fuel delivery, storage and management products for the small engine and automotive markets. Andrew, who used to work for Intel Corporation, writes, "while Intel is an exciting and progressive company, the opportunity to manage a foreign subsidiary of a U.S. multinational has been one of my top professional goals." He says he looks forward to hearing from alumni and staff as they travel through Japan.

**Stephane Blondeau
MBA '93**

has started his own business, which specializes in customer satisfaction measurement and service quality improvement consulting. The business — named "100% Satisfaction" is based in Paris. After graduation, Stephane writes that he joined the Dunn & Bradstreet corporation, working at the Nielsen European Office in Brussels and Paris, where he was involved in marketing strategies and product development. In April, 1994, he left to start his own business, which now has grown to eight consultants, working for OTIS, 3M, AlliedSignal, PepsiCo, and Compaq Computers, both at the French level and at the European level. He says the company is targeting \$3 million in revenue for 1996.

**Michael Mercier
MBA '93**

is currently working as a marketing manager in the college textbook division of

Houghton Mifflin in Boston. Mike also writes that this past August he married Rebecca Brewer, a 1991 Michigan graduate.

**94 Greg P. Foley
MAcc, BBA '94**

writes that he has led a double life since graduation. During the week, he is an analyst, mergers and acquisitions, with Kleinwort Benson, a British investment bank, in the New York office. On the weekends, he runs FoleyGuide, a rating book of the restaurants of Detroit that also includes Ann Arbor, Windsor, selected restaurants statewide and chain restaurants. The book is based on a survey of 800 actual Michigan restaurant goers and includes over 300 eating establishments. Maps and a menu price-range guide are included.

Check Us Out

Continued from Inside Front Cover

organized on the Web," says Professor Lafontaine. "I can link things together and take a person from one page to another.

"For example, I can say, 'Here is this concept, and if you click here you will be brought back to the part of the course where it was introduced.' So you have the ability to see where, in the context of previous discussions, the concept was introduced."

Lafontaine reports that a growing number of students are accessing the class pages, and that students like the ease of use and the access it gives them to lecture notes. Students in the evening program have been particularly enthusiastic about the site, which gives them an extra tool for studying the material.

Although Lafontaine currently prints out and distributes in class most of the material included in her "Web Classroom," she says she hopes that eventually the Web pages can replace the printed material she hands out in class, thus leading to a less paper-intensive classroom.

Advances in technology are now making it possible to link students and professors in collaborative learning environments that are increasingly becoming independent of time, distance and location. Members of the Business School community are continuing to explore ways to make new forms of learning available in ways that were previously impossible. Stay tuned. ■

(Dividend is grateful to the *Monroe Street Journal* and MBA students Charles Azu, Paul Maurer, and Steve Pert for substantial contributions to this article.)

Ph.D. Notes

H. Michael Hayes Ph.D. '77

writes that in 1994 he was a visiting professor of strategic management at Trinity College Dublin, and was subsequently appointed external examiner to the Trinity College MBA program. He is currently professor of marketing and strategic management at the University of Colorado at Denver.

Daniel Short MBA '74, Ph.D. '77

is the new dean of Miami of Ohio University's Richard T. Farmer School of Business Administration. The School was recently named one of the top 40 undergraduate business programs by *U.S. News and World Report*. Before moving to Miami, Dan had been the dean of the business school at Kansas State University since 1992, and a professor at the University of Texas at Austin from 1977-92, where he also served as associate dean from 1987-92, assistant dean for executive education from 1986-87, and director of the Option II Executive MBA program from 1985-92. Throughout his career, he has received eight teaching awards, written a textbook on financial accounting, and published numerous articles in accounting journals.

Gerard J. Tellis Ph.D., '83

writes that he has been appointed to the Jerry and Nancy Neely Chair in Marketing at the University of Southern California in Los Angeles.

Lucy J. Reuben MBA '74, Ph.D. '81

has taken the job of dean of the School of Business at South Carolina State University in Orangeburg. She is a member of our Alumni Society Board of Governors, and writes that she hopes to return to Ann Arbor for the Board meeting in the spring. She was previously associate professor of finance at the School of Business and Industry of Florida A & M University.

Deaths



James Bulloch, BBA '55, MBA '57, professor of accounting at the Business School from 1960-1972, died September 7, 1995. At the time of his death, he was managing director of professional and technical service with the Institute of Management Accountants (IMA) in Montvale, N.J. In 1995 Bulloch received the R. Lee Brummet Distinguished Service Award for Educators, established to provide an opportunity for IMA to recognize accounting educators who have made significant contributions to IMA and to accounting education.

Bulloch had great affection for his students. On learning of his death, one former student reminisced, "Jim and I had many enjoyable evenings together on the ride between Ann Arbor and the Dearborn campus, where he taught a graduate cost accounting course. He went out of his way to drive me to Dearborn so I could take the course because I was unable to take it during regular hours in Ann Arbor. His words of wisdom and guidance helped launch me on my accounting career. For that I will always be grateful."

Bulloch, who held the Ph.D. degree from Ohio State University, was a member of the National Association of Accountants, the Institute of Management Accountants, and Certified Management Accountants. He was the author and editor of the third edition of *Accounting Costs Handbook*.

George E. Phillips, MBA '30, died June 15, 1995. Since 1930 George had worked for Kellogg of Battle Creek and Standard Oil of Indiana, as well as in real estate. During World War II he served in the U.S. Navy in Norfolk, Virginia's landing force equipment depot that supplied the U.S. effort in the Pacific. A life-long resident of Detroit, he was a member of Kiwanis International. While studying at the School, he was a member of Alpha Kappa Psi business fraternity.

John A. Carstens, BA '33, MBA '36, died unexpectedly April 24, 1995 in Chicago. For many years he owned and operated two major department stores in Michigan City: Carstens Brothers, a store established by his family in the 1870s, and later the Mayfair Department Store. One of his first positions after graduating from the School was that of deputy administrator for the Defense Savings Plan, in which he worked closely with U.S. Treasury Secretary Henry Morgenthau to promote the World War II U.S. Savings Bond program. He was responsible for the installation and operation of the Payroll Savings Plan in business and industry for the state of Michigan, a program that became the national standard for the sale of defense bonds, and later for regular U.S. Savings Bonds sales. Immediately following his work with the U.S. Treasury Department, he enlisted in the U.S. Navy, serving as a lieutenant on the staff of the U.S. Navy air corps of the Pacific Fleet. After his military service, he returned to Michigan City to assume management of the Carstens Brothers store. He was actively involved in the community, and served as president and board member of the Michigan City Area Chamber of Commerce, and was a longtime board member of what is now First Citizens Bank.

Leon B. Kircher, MBA '36, passed away on February 22, 1995 in Encinitas, California.

Richard N. Prey, MBA '37, died on April 12, 1995.

John Nicholas Vlachos, BBA '50, died August 23, 1995.

Calendar

MARCH 29-31

The Black Business Students' Annual Conference

APRIL 11-12

Spring Meeting of the Visiting Committee, Alumni Society Board of Governors, and the National Campaign Committee
(meeting jointly in Ann Arbor)

APRIL 12

Scholarship Dinner

MAY 17

Corporate Advisory Board meets in Washington, D.C.

JUNE 7-8

Emeritus Reunion

SEPTEMBER 20

Visiting Committee Meets in Ann Arbor

SEPTEMBER 27

Alumni Society Board of Governors meets in Ann Arbor

OCTOBER 18-19

Reunion Weekend

NOVEMBER 14-16

Real Estate Forum

The Regents of the University

Deane Baker, Ann Arbor
Laurence B. Deitch, Bloomfield Hills
Daniel D. Horning, Grand Haven
Shirley M. McFee, Battle Creek
Rebecca McGowan, Ann Arbor
Andrea Fischer Newman, Ann Arbor
Phillip H. Power, Ann Arbor
Nellie M. Varner, Detroit
James J. Duderstadt, *ex-officio*

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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 Editor, *Dividend* Magazine, School of Business Administration, University of Michigan, Ann Arbor, Michigan 48109-1234, or e-mail: PFSmith@umich.edu, 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.

Please tell us about Dividend.

We have provided this space for your comments about *Dividend* – what you like, what you dislike, and advice to the editor.

Quote UnQuote

“The most comprehensive study of insider transactions was conducted by Professor Nejat Seyhun of the University of Michigan, encompassing the 20 years from 1975 through 1994 and including every open-market trade reported to the Securities and Exchange Commission by corporate insiders — more than one million transactions in all.”

From a discussion of insider trading in the “Wall Street Irregular” column by Mark Hubert, published in Forbes magazine, Dec. 4, 1995

“Average American middle managers think we’ve beaten the Japanese. They think we’ve won. They think we’re smarter. But they don’t understand the nature of the competition. The Japanese have a proven ability to cope with crisis.”

C. K. PRAHALAD, professor of corporate strategy and international business, quoted in a Fortune article on Japanese companies Nov. 27, 1995

“A business doesn’t have an inalienable right to continued success. There are 5 billion plus people in the world, and many of them are taking big steps toward playing the capitalist game well. India may be poor, but it has 150 million people who are solidly middle class and well-educated — that’s twice the population of any European country.”

NOEL TICHY, in an interview published in Entrepreneur Magazine, March 1995.

“For good or ill, cities are central to our existence.”

DENNIS ARCHER, Mayor of Detroit, delivering the Business School’s annual McMinnally Lecture January 17, 1996

“Quality now is like oxygen. It’s not optional.”

DEAN B. JOSEPH WHITE, quoted in a story on TQM in USA Today, October 17, 1995

“The American Customer Satisfaction Index is newsworthy not only because of its results but also because, like any good scorecard, it provides insights into the nature of the game itself.”

From an article in the Dec. 11, 1995 Fortune Magazine discussing the American Customer Satisfaction Index of the University of Michigan Business School. (See page 24)



Philip Dattilo

“On mentoring - “Find one early and be one later.”

DIANA STARR LANGLEY, BBA ’75, CEO of Dioptics Medical Products Inc., in the talk she gave after receiving the 1995 Entrepreneur Award from the Alumni Society Board of Governors

“On the flat tax - “For one thing, industrial investment would grow at the expense of housing. For another, taxes on capital are lower than is widely understood, largely because of rapid write-offs allowed by Washington. Hence the potential bang is likely to be smaller than advertised.”

JOEL SLEMRD, director of the Office of Tax Policy Research and professor of business economics and public policy in The New York Times Feb. 1, 1996

“The whole affirmative-action debate misses the issue of utilization — getting the most out of the people you already have. That’s the critical issue for companies today.”

TAYLOR COX, associate professor of organizational behavior and human resource management, quoted in Business Week August 14, 1995

“Just as our economic problems are primarily home-grown, so must their solutions be sought at home

rather than by scapegoating a global economy that offers expanding opportunities to those who participate fully in it.”

MARINA V.N. WHITMAN, professor of business administration, writing an Op-Ed column in the Wall Street Journal October 27, 1995



True, you can't take
it with you,
but then
that's not the place
where it comes in handy.

Brendon Francis



You worked hard to accumulate your retirement assets. Why bequeath them to Uncle Sam? ■ It's uncomfortable, but true: unless you plan carefully, up to 80 percent of your retirement assets could go to the federal government. ■ The alternative: give the same retirement assets to the University of Michigan Business School. Your estate pays little or no tax. Most or all of those assets go to the School. And you decide how to spend your hard-earned dollars. ■ Plan carefully. Bequeath wisely.

For more information on planned giving of retirement assets or on planned giving in general, please return the attached reply card.

Or call Ellen Abramson of the Business School Development Office: (313) 763-5775.

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Dow Chemical Company Gives \$500,000 to CEMP

A \$500,000 commitment for program support and for student financial support has been given by the Dow Chemical Company to the Corporate Environmental Management Program (CEMP).

A check for \$250,000 was presented to Stuart Hart, director of CEMP, by Robert L. Wood, vice president of polyolefins, elastomers & SARAN products at Dow Chemical. During his visit to the School, Wood also met with several CEMP students to hear about their work in the CEMP program, including the projects they had completed in summer internships.

The Corporate Environmental Management Program was jointly launched in 1992 by the University of Michigan Business School and the School of Natural Resources and Environment. It is designed to develop leaders — executives and managers, whether they work in the private sector, for government or for an environmental non-profit agency — with the skills and knowledge necessary to create environmentally and economically sustainable organizations.

Business leaders must consider the environmental impact of their decisions, and environmental leaders need business savvy and economic



Robert Wood, vice president of the Dow Chemical Company (right), meets with students in the Corporate Environmental Management Program during a visit to the Business School in December. Wood was at the School to present a check representing the first installment of Dow Chemical's \$500,000 commitment to the CEMP program, half of which will go to support scholarships for CEMP students, and the other half of which will be devoted to program support. Pictured left to right are Stuart Hart, director of CEMP; Carey Jones and Jeff Bernicke, both CEMP students; and Wood.

expertise to keep their enterprises afloat and to confront thorny economic issues inherent in most environmental problems.

Students in the CEMP program are well-versed in both management methods and environmental science. They may take individual courses or enroll in an integrated, three-year

program leading to both an MBA and a Master of Environmental Studies.

Half of the Dow gift will go to endowed scholarships for CEMP students, and the other half will be devoted to program support, such as course development, research, guest speakers and visiting faculty.

Gregory Fox