

Spring 2002

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Dividend

Spring 2002

FEATURES



24 Leading in Times of Trauma

Ongoing research by the CompassionLab team reveals ways leaders can help individuals and companies begin the healing process in the wake of tragic events.

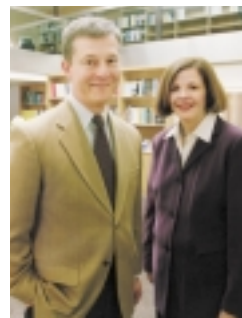
28 Linking Business and Peace

In the face of escalating international conflicts, Tim Fort and Cindy Schipani have found evidence that companies can promote more peaceful workplaces and societies.



32 A Conversation on Global Security Issues

Former Secretary of State Madeleine K. Albright, now a Distinguished Scholar at the William Davidson Institute, speaks out on key foreign-policy issues.



34 Reunion 2001 in Photos

INTELLECTUAL CAPITAL

17 Managing the Unexpected

Karl Weick and Kathleen Sutcliffe discuss why business organizations must operate "mindfully" in order to better manage unexpected events and ensure high performance.

Dean: *Robert J. Dolan*; Interim Director of Communications, Executive Editor: *Cynthia Shaw*
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DEPARTMENTS

3 Across the Board

GE's Jack Welch Reflects on 20 Years... Author Ann Crittenden, Martha Stewart, U.S. Congressman Earl Blumenauer and Human Rights Advocate Randall Robinson... News from 2002 Entrepalooza and FuturTech conferences... Salutes to Business Professor Dana Muir and Wall Street's Muriel Siebert... William Davidson Institute Observes its 10th Anniversary and more...

15 Quote Unquote

Who is saying what—and where.

19 Faculty Research

Tracking Sun Bourses

Sunshine positively affects stock returns, says Tyler Shumway.

PLUS: Faculty research updates on the U.S. trucking industry and private debt covenants.

21 Ovation

A Pioneering Effort

New alumni-led giving society honors business-education pioneer Henry Carter Adams.

22 Alumni at Large

Bilingual Change Agent:
Lee Shainis, BBA '99

Michigan + Invent = MVent,
an entrepreneurial success story

36 Alumni Activities

Club news from Ann Arbor, Atlanta, Austria, Black Alumni Association, Chicago, China, Denver, Detroit, Germany, Hong Kong, New York, San Francisco, South Florida, Spain, Twin Cities and Washington DC.

41 Class Notes

The goings-on of friends and colleagues.

44 Obituaries

47 Alumni Network Update

Strengthen ties with the University of Michigan Business School: Complete and return your update form today!

Pictured on the cover clockwise from left: Professors Cindy A. Schipani, Timothy L. Fort and Jane E. Dutton. Cover photo by Ameen Hourani.

Outstanding Alumni Awards

Congratulations to
our 2002 Alumni
Award Recipients:

Bert F. Wertman Alumni Service Award

Michael R. Hallman
BBA '66, MBA '67



David D. Alger Alumni Achievement Award

Cleveland A. Christophe
MBA '67



Entrepreneur Award

Michael J. Jandernoa
BBA '72



Bert F. Wertman Alumni Service Award

Established in 1989, this award recognizes alumni of the Business School for outstanding service to the School or the University. The award was established in honor of Bert F. Wertman, who served for more than sixty years as President of the Class of 1928. Through his leadership and caring, the class remained a cohesive and vital group and held a record number of continuous reunions.

David D. Alger Alumni Achievement Award

The Alumni Achievement Award was established in 1989 and recognizes alumni of the Business School whose attainments in their professional fields have brought distinction to themselves, credit to the School and benefit to their fellow citizens.

The Alumni Achievement Award has been renamed in honor of David D. Alger, MBA '68, and 2001 recipient of this award. David was a dynamic, involved, passionate member of the UMBS community and a member of the UMBS Visiting Committee. He perished in the events of September 11.

Entrepreneur Award

Established in 1991, this award recognizes the accomplishments of alumni of the University of Michigan who have started and built successful enterprises.

CALL FOR NOMINATIONS

Each year the UMBS Alumni Society Board of Governors recognizes the accomplishments of outstanding alumni with a series of awards. The Awards Committee of the Alumni Board invites the Business School Community to participate by submitting nominations for these awards.

Nominations For 2003 Awards Must Be Submitted By June 15, 2002

To nominate an individual, you may use the nomination form on the Alumni Relations Web site (www.bus.umich.edu/alumni); e-mail alumni@umich.edu; fax a letter to (734) 615-6103; or mail a letter to Alumni Relations, University of Michigan Business School, 701 Tappan, Ann Arbor, MI 48109-1234.

Nominations should include nominee's name and your reasons for making the nomination, as well as your name, e-mail address and phone number.

Icon of Leadership

Jack Welch Reflects on 20 Years at GE

A month after retiring as chairman and CEO of General Electric Co. last fall, Jack Welch reflected on his success in remodeling the enormous conglomerate to fit his image of how big business *should* work during a guest appearance on *The CEO Exchange* at the University of Michigan Business School. CNN's Stuart Varney went "one on one" with Welch during the Oct. 17 taping of the popular PBS television show before a live audience at the Power Center.

This was the second visit to the Michigan campus by *The CEO Exchange*, which is produced for PBS by WTTW National Productions. The Jack Welch episode was underwritten by A.T. Kearney and distributed to PBS affiliate stations in early December.

With a characteristic blend of no-holds-barred straight talk and down-home familiarity, Welch summarized his legacy, saying, "We took an old-style, military-industrial, highly structured enterprise and created an informal atmosphere where everyone had a shot at reaching their dreams."

Under his 20-year leadership, GE became the world's most admired and valu-

ACROSS THE BOARD

able company in terms of market capitalization. The firm's market value jumped from \$12 billion to \$399 billion and its stock price skyrocketed 5,000 percent. GE also acquired 934 companies during the Welch era and trimmed 40 percent of the workforce, roughly 170,000 jobs. At times, however, Welch's tough-minded approach, heavy-handed job cuts and determination to globalize and digitize the company earned the hard-charging CEO such monikers as "Neutron Jack," "eJack" and the "Tiger Woods of Management." The 11th-hour collapse last fall of GE's proposed merger with Honeywell International Inc. robbed him of his intended *coup de grace*, but never really tarnished his iconic image.

Welch urged business schools to talk more about job appraisals and how to do them effectively.

"Change is something people do not relish easily," Welch admitted, "but it is at the heart of what makes business vital." He stressed the importance of relentlessly communicating the need and rationale for change "over, through and around the organization."

Welch urged business schools to talk more about job appraisals and how to do them effectively. "If human management became the major rather than qualitative calculations of strategy, we'd be a lot better off," he said, "because your job (as a leader) is to build the best team."

Welch characterized leadership as "four E's wrapped in a P": personal energy, the ability to energize others, the edge to make decisive decisions and the ability to execute, all done with more passion than the next guy. "As a leader, you want to give people a chance to take a swing, so they can build their confidence," he explained. "You will never build a great team if you always give employees incremental assignments. You want them to stretch."

Welch got his chance to stretch. Now in retirement, he plans to do some consulting work, promote his new book, *Jack: Straight from the Gut*, and "never order a bottle of wine for less than a hundred bucks," he told his audience. "I've taken the best shot I know how to take at this game of life. I did as well as I could. I made mistakes. But I really like the person who is in this skin."

Kudos

■ The University of Michigan Business School received two awards—one for environmental stewardship and another for social impact management—from the Aspen Institute and World Resources Institute at the "Beyond Grey Pinstripes 2001" awards ceremonies, held October 31 in New York City. Michigan was recognized as a "cutting-edge MBA program," and the Erb Institute's Corporate Environmental Management Program (CEMP) was cited for its key role in preparing business leaders.

■ In September, *Hispanic Business* magazine honored the University of Michigan Business School as one of the top 10 best graduate schools in the nation for Hispanics. The selection was based on the Business School's 100 percent retention rate of first-year Hispanic students, its commitment to diversity and its active Hispanic and Latin Business Students Association.

■ The University of Michigan Business School was selected as the 2001 recipient of the National Black MBA Association's "Outstanding Educational Institution of the Year" award. This distinguished honor is presented to the institution that has made the greatest contribution toward encouraging African-Americans to enter the business field.



Jack Welch, left, with CNN's Stuart Varney

ACROSS THE BOARD

McInally Lecture

Albright Urges America to Build “A More Humane” World

Speaking at the University of Michigan’s 35th annual William K. McInally Memorial Lecture last fall, in the wake of the September 11 tragedy, former Secretary of State Madeleine Albright characterized today’s global situation as the “most fluid and dynamic moment since the Cold War’s end.” She cited examples of former Communist satellite countries transitioning into emerging democracies, of China opening its doors to trade and foreign investment and of America flip-flopping from confrontation with Russia over NATO and missile defense to alliance in the fight against terrorism.

However, Albright cautioned against adopting an overly simplified them-against-us view of the world order, with the terrorists taking the place of the former Communists. “It gives the terrorists far too much credit to think we are in a bipolar world and they represent one of the poles,” she said. “This is precisely what Osama bin Laden wants. He claims we are in a clash of civilizations. In reality, it is a clash between civilization itself and brutishness, between the rule of law and no laws at all.”

America must continue its efforts to build “a freer, more humane and broadly prosperous world in which terrorists will cease to attract followers and there will be no havens for hate,” continued the former Secretary.

Albright, who spoke on October 16 to a standing-room-only audience, joined the William Davidson Institute on September



Michael J. Schumpf

Madeleine Albright

1, 2001, as its first distinguished scholar. Since then, she has made several return visits to the Business School’s campus, conferring with students and faculty and holding press interviews.

Human Capital

Making the Case for Motherhood

Raising children is one of the most important jobs in the world, not only in human, but also in economic terms, bestselling author Ann Crittenden told a receptive audience at the University of Michigan Business School last fall. However, she said,

mothers in America are not recognized, valued or paid for this demanding work.

A well-known economics journalist and former *New York Times* reporter, Crittenden visited campus on Oct. 10 to address key issues in her book, *The Price of Motherhood: Why the Most Important Job in the World Is Still the Least Valued*. The event was co-sponsored by the Business School, the University’s Family Care Resources Program, the Center for the Education of Women and the Horace H. Rackham School of Graduate Studies.

Though praised for “selfless service,” American mothers are penalized by a socioeconomic system that fails to provide compensation or a social safety net for them as primary caregivers, Crittenden said. An estimated 85 percent of women with children in the U.S. are dependent on their husbands for income and do not have an “equal partnership” under current laws.

“On one level, we are fully aware of the importance of the work (of raising children), but this is absolutely contradicted by another complex, but prevalent idea that somehow this is not serious business at all,” Crittenden explained. The single biggest

risk factor for poverty, she added, is having a child, “but nobody talks about it.”

Crittenden’s own life changed abruptly 20 years ago when she interrupted her professional career to have a child. “I could never have predicted what a radicalizing act that was,” she conceded. “I really thought I had made it in the Women’s Revolution and had achieved the stature and professional success available to women now. But what I discovered when I had this child was a very different reality.” Crittenden’s two overwhelming impressions were that motherhood was the “most challenging, difficult, highly skilled work I had ever done in my life,” and that the professional world she had left was not acknowledging this. An off-hand comment at a cocktail party (“Didn’t you *used* to be Ann Crittenden?”) galvanized her to write a book examining the perplexing conundrum of motherhood and the “total invisibility of the work of raising kids.”

Crittenden made a strong case for the economic importance of child rearing. “Human capital is now considered the single greatest source of national wealth...and we now know all these human capabilities are encouraged in the early years,” she explained. “If that’s true...the people who are raising children in the early years are raising human capital. They are the biggest wealth producers.”



Bill Wood

Ann Crittenden, left

Corporate Challenges

Martha Stewart Briefs Students on Leadership Strategy

Lifestyle trendsetter and media icon Martha Stewart visited the University of Michigan Business School last fall to share insights into her leadership role as chairman and CEO of Martha Stewart Living Omnimedia Inc., an international information-based company. Known in homes across the country simply as “Martha,” she has built a multifaceted business encompassing syndicated home and food television shows, magazine publishing, merchandising and Internet-based direct commerce.

Initially, Stewart and Sharon Patrick, company president and chief operations officer, met with a team of second-year MBA students on Oct. 17 to brief them on the leadership strategy exhibited during critical times at Martha Stewart Living Omnimedia. Among the key issues discussed (three months before Kmart filed for bankruptcy



Martha Stewart

Martha Stewart, center

in January) were: the impact of current economic conditions on retailing, technology and advertising; changing corporate growth rates; company branding strategies; and international expansion, particularly into the Japanese market.

Afterward, Stewart and Patrick observed and participated in a two-hour class, Leadership in Changing Times, where the student team they had briefed used inter-

ACROSS THE BOARD

active role-playing to present an advocate’s view of Stewart’s company to their classmates. The case was discussed in detail by the class with comments from Stewart and Patrick. Gerald C. Meyers, adjunct professor of organizational behavior and human resource management, teaches the class and invited Stewart and Patrick to attend.

“This class gives students a feel of what critical times in business feel like, and how to think and act on their feet in adverse circumstances,” says Meyers. Other notable CEOs who have participated in the class this year are Edward Whiteacre Jr. of SBC Communications, James Dimon of Bank One Corp. and Raymond Gilmartin of Merck.

Entrepreneurship

Entrepalooza 2001 Reassesses VC Market

Entrepalooza 2001: *The Changing Face of Entrepreneurship* drew an attentive crowd to the University of Michigan Business School last September, despite the terrorist attacks, the bleak short-term prospects for the venture-capital market and a dearth of funding for new start-up companies, following the collapse of the high-tech investment bubble.

High-profile symposium speakers from leading venture-capital companies and technology firms, including Handspring Inc., offered constructive advice and lots of encouragement. Panel discussions focused on ways to transform ideas into new businesses, manage growth, obtain funding, structure acquisitions and enter emerging economies. Keynote speaker Hal Davis, the co-founder and former CEO of BlueGill Technologies, received the Alumni Entrepreneur of the Year Award. The event was presented by the Entrepreneur and Venture Capital Club and the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies.

“There is plenty of innovation right now,” said Dixon R. Doll, managing general partner of Doll Capital Management. “But we have gone back to basics, and the bar is very high.” He characterized the current environment for raising venture capital as “the most difficult I have ever seen in 20 years” and



Bill Wood

From left: Zell-Lurie Institute director Thomas Kinnear, Hal Davis and Dean Robert Dolan

predicted a turnaround will take several years. Doll, who earned his Ph.D. in engineering at Michigan, advised venture-capital firms to clean up their existing portfolios and to complete their due diligence when considering future investments. Cash-strapped entrepreneurs in search of VC funding must “understand what our value proposition is and sell their ideas,” he added.

John McIlwraith, managing director of Blue Chip Venture Co. in Cincinnati, urged entrepreneurs to evaluate the quality of their ideas and their leadership abilities carefully before launching a start-up. Having a strong passion for the business, he continued, is essential for riding out cyclical downturns.

Handspring co-founder and CEO Donna Dubinsky, and vice president of product marketing Joe Sipher, MBA ’93, shared the Palm Pilot success story with their Hale Auditorium audience via satellite videoconferencing. (The terrorist attacks of September 11, three days earlier, prevented them from appearing in person.)

Dubinsky, who was the co-founder and CEO of Palm Computing before she left in 1998 to launch Handspring, offered lessons learned during her 20-year career as a “serial entrepreneur.” She emphasized the importance of developing great products, picking the right partners, challenging conventional wisdom and securing plenty of money. Dubinsky also stressed the need for teamwork, attention to details and cost containment. On the personal side, she encouraged her audience to show integrity, treat others with respect, “get a life” and never become so tied financially to a company that they could not walk away.

ACSI

Customer Satisfaction Rebounds at Year's End

Following a lackluster third-quarter report in 2001, the American Customer Satisfaction Index (ACSI) rebounded in the fourth quarter, offsetting a drop that began in late 2000. The ACSI, which had declined for four straight quarters, climbed to 72.6 (of a possible 100)—a 0.8 percent increase and the third-highest quarterly improvement ever.

The fourth-quarter results centered on customer satisfaction with the retail, finance and e-commerce sectors. In the previous quarter, the survey solicited consumer ratings of non-durable industries, such as food, soft drinks, apparel and personal-care products.

The ACSI is a national economic indicator of customer evaluations of the quality of goods and services available to household consumers in the United States. It is updated and released each quarter under exclusive arrangement with *The Wall Street Journal*. A separate ACSI report on federal services is produced once a year.

"As customers become more satisfied with the nation's output of goods and services, they tend to increase their spending."

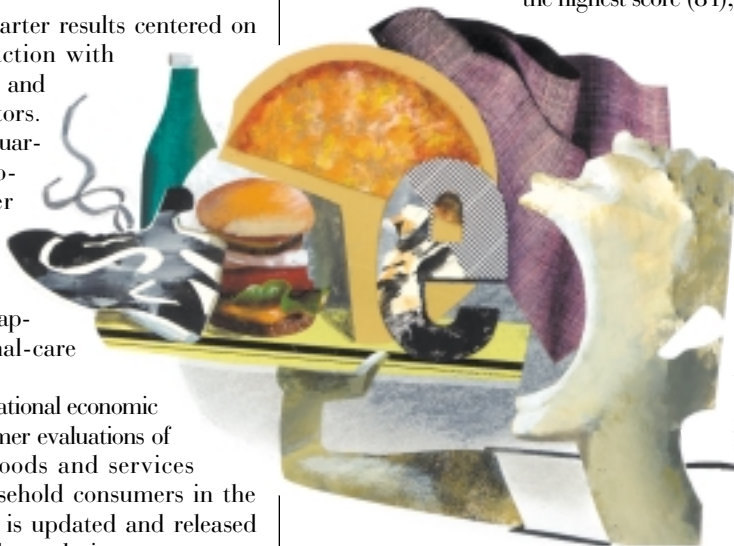
Claes Fornell, professor of business and director of the University of Michigan Business School's National Quality Research Center, which compiles and analyzes the ACSI data, puts a positive spin on the most recent results.

"As customers become more satisfied with the nation's output of goods and services, they tend to increase their spending,"

ACROSS THE BOARD

he says. "Corporate revenues from repeat business tend to grow as well. Since profits for most companies depend much more on repeat customers than on new customers, and because consumer spending is so central to economic growth, the latest ACSI numbers are encouraging."

According to Fornell, falling interest rates, discounted holiday prices, increased emphasis on customer service by slumping companies and improvement in the buyer-seller relationship after the September 11 terrorist attacks probably contributed directly or indirectly to the increase in the overall ACSI score at year's end. Among e-commerce companies, Amazon.com posted the highest score (84),



followed by Barnesandnoble.com (82) and eBay (82). PUBLIX Super Markets (81) was a standout in the supermarket sector; Wal-Mart Stores (78) led specialty retailers and Papa John's (78) took top honors in the fast-food category. State Farm (79) topped other large personal property insurance firms, and Wachovia (72) outranked competitors in the banking industry.

By comparison, the third-quarter ACSI report was as soggy as a stale French fry, slipping more than one percent from the previous year's third-quarter level. Among the high-flyers in the non-durable goods sector were H.J. Heinz Co. (89), which made a splash with its new green ketchup, and chocolate-maker Mars Inc. (86). "We've seen a similar phenomenon in other countries where candy, chocolate and the like tend to be more satisfying when economic times are characterized by uncertainty," says Fornell.

Separately, the 2001 ACSI federal government scores, released Dec. 17, provided one surprising revelation: Filing taxes has become a more favorable experience for Americans than flying on commercial airlines. In its annual report on the level of American consumer satisfaction with federal government agencies, the ACSI revealed that the score for the Internal Revenue Service improved 11 percent from last year and 22 percent since 1999. Although still relatively low, the IRS score of 62 was higher than the airlines' recent score of 61, as measured by the ACSI in the first quarter of 2001—well before 9-11 and the subsequent impact on air travel. The IRS's uptick was due largely to high satisfaction among individuals filing tax returns electronically.

"The IRS has adopted some of the private sector's techniques, such as actively listening to their customers then changing processes, reallocating resources and focusing technology to enhance the overall tax-filing experience," says Jack West, past president of the American Society for Quality. The overall ACSI score for government agencies rose from 68.6 in 2000 to 71 in 2001, a 3.5 percent increase.

For more details, visit www.theacsi.org.

Research Findings

Practical Intelligence May Predict Future Success

Can tests that assess business students' practical abilities be as valuable as standardized intelligence testing in predicting future success in business school and the corporate world? The initial results of a study of two MBA classes at the University of Michigan Business School, conducted by Yale University psychologist Robert Sternberg and collaborator Jennifer Hedlund, indicate the answer may be yes.

"The types of problems found on standardized intelligence or aptitude tests (such as the Graduate Management Admissions Test, or GMAT) are quite different from the types of problems found in the real world," says Sternberg, a professor and the author of *Successful Intelligence*. "Individuals who perform well on standardized tests do not necessarily perform well on poorly defined practical problems (found in the business world).

ACROSS THE BOARD



Martin Haet

Robert Sternberg

Thus, individuals who are successful by GMAT standards may not be successful by business standards.”

Sternberg and Hedlund of Central Connecticut State University studied incoming Michigan MBA students in 1999 and 2000, and presented their results at the Business School on November 7. They found that measures of managerial potential that assess practical abilities predict success in both academic and practical endeavors. Their work is based on Sternberg’s theory of successful intelligence (SI), which holds that success is an interactive function of analytic, creative and practical abilities.

Jeanne M. Wilt, assistant dean for admissions and career development at the Business School, views SI testing as a potential complement to the GMAT in making admissions decisions for MBA programs. “It also can be used as a tool for teaching students practical problem-solving skills that can help them become more effective business leaders,” she says.



Marcia L. Loeffel

The new interim president of the University of Michigan is former Business School Dean B. Joseph White. The University’s Board of Regents last fall appointed White to fill the post vacated by former President Lee C. Bollinger, who accepted an offer to lead Columbia University; beginning in the 2002 academic year. White’s appointment officially went into effect on January 1. “Mary and I love the University of Michigan, and it is a privilege for us to be asked to serve the University in this way,” says White, the Wilbur K. Pierpont Collegiate Professor of Leadership in Management Education and professor of business administration. He stepped down as Business School dean in June 2001 after serving 10 years. The search process for a permanent president is under way.

Recognition

Top Alumni Award Renamed to Honor Alger

The University of Michigan Business School Alumni Achievement Award has been renamed to honor the memory of **David D. Alger, MBA ’68**, one of the victims of the Sept. 11, 2001, terrorist attacks. He was the president of Fred Alger Management Inc., headquartered in the World Trade Center.

Cleveland A. Christophe, MBA ’67, the managing partner of TSC Capital Group in Stamford, Connecticut, and a personal friend of David Alger, has been selected to receive the 2002 David D. Alger Alumni Achievement Award. The award is presented to alumni whose professional achievements have brought distinction to themselves and the Business School.



Michael J. Schumpf

David D. Alger

Alger, a prominent figure in the business world and an acclaimed author, was the Alumni Achievement Award recipient in 2001. He served the Business School community as chair of the Annual Fund campaign and a member of the Visiting Committee. He also delivered the 1997 Business School Commencement address and was the keynote speaker at Reunion 2000. For more career highlights, see Obituaries on page 44.

“David’s colleagues held him in the highest regard, and he was a great friend who always could be counted on to help the Business School in any way possible,” says **Ralph E. Johnson, MBA ’92**, chair of the Alumni Society Board of Gov-

ernors, which by a unanimous vote last fall renamed the Alumni Achievement Award after Alger. “The Board felt that was a fitting way to honor his memory, professional accomplishments and uncommon dedication to the Business School.” Johnson is the director of professional development and administration at McKinsey & Company’s Cleveland office.

Christophe was selected as the 2002 award winner in recognition of his professional achievements and years of service to the Business School.

“Cleve not only advises the Dean and the administration about important issues facing the Business School, but also takes time to mentor students who are beginning their professional lives,” says Johnson. “The Board takes great pleasure in selecting Cleve as this year’s award recipient.”



Michael J. Schumpf

Cleveland A. Christophe

Business in Asia

U.S. Congressman Charges Students with Change

It's time for America to "walk the talk" by taking meaningful action toward resolving the serious environmental, social, political and economic problems that threaten the security and well-being of the United States and other countries worldwide, U.S. Congressman Earl Blumenauer (D-Oregon) stated at the 12th Asian Business Conference. This year's annual event, held February 1-2 at the University of Michigan Business School, focused on "Global Crisis, Asian Opportunities" in Japan, Korea, China, South Asia and Southeast Asia.



Earl Blumenauer

Blumenauer, who serves on the House Committee on International Relations and the Subcommittee on East Asia and the Pacific, painted a grim picture of today's world where 1.2 billion people lack safe drinking water, 3 billion live without adequate sanitation and 4 million die every year from water-borne diseases. He called for a change in the mindset of the U.S. government regarding America's role and responsibility in dealing with these threats to the developing and industrialized countries. The congressman also urged American leaders to come to terms with the new era of governance, characterized by the dissipation of the empire and the proliferation of nation-states, organized around a drive for autonomy, control and self-expression.

Blumenauer attributed some of America's current problems to its ambivalence to-

ward, and willingness to do business with, despots and anti-democratic regimes, as well as its self-serving approach toward multi-nationalism. A reluctance to "put into practice the prescriptions we are offering to other countries" and a dramatic decline in international assistance also are contributing factors, he added. Today, U.S. overseas aid has fallen to 0.2 percent of gross national product, the lowest level of any Western nation. "There is a need for us to invest in ways that go directly to the needs of citizens around the world," he said.

For America to gain global credibility, Blumenauer recommended stripping away destructive trade barriers; establishing international standards for the protection of workers, investors and the environment; promoting more student exchange programs; rebuilding U.S. diplomatic capacity overseas; and enacting an equitable Farm Bill. He also stressed the need to promote sustainable development and develop a viable energy policy.

"I am absolutely convinced the political process alone cannot and will not respond to the things we are talking about," Blumenauer stated. The business community, he continued, has some real potential of bringing about change. "But it is going to be people of the generation of students now at Michigan and around the country who will put into practice these business, communication and environmental principles."

Life Sciences

Biotechnology Offers Hope, Poses Challenges

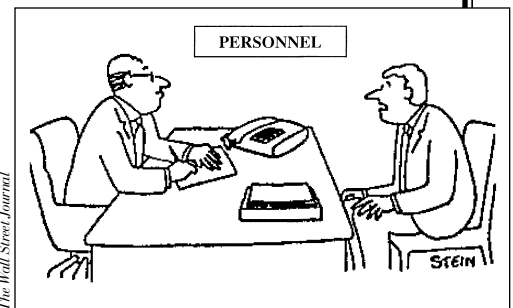
The patient is alive and well, but experiencing some growing pains. Such was the assessment of the life-sciences industry, as it struggles to gain a financially viable foothold in the Michigan Life Sciences Corridor and elsewhere. (See "Leveraging the Life Sciences" in the fall 2001 issue of *Dividend*.)

More than 300 participants from the pharmaceutical industry, emerging and established life-sciences companies, venture-capital firms and the University of Michigan community gathered in the Michigan League

on February 8 for a public symposium, "Life Sciences: An Industry in Transition."

Biotechnology uses the special properties of biological molecules and materials to improve human lives in healthcare, agriculture and the environment. To date, more than 100 biotech drugs and vaccines have been approved, and more than 200 million patients have used biopharmaceuticals.

Industry experts examined strategies for developing, financing and marketing new biotech products, a tough assignment in today's highly competitive, cyclical market.



"It's true I don't have any real experience, but I can assure you my DNA is consistent with being a Sales Manager."

"My take-home message for building a successful biotech company is know your technology, know where it fits, know what value you add and to whom you add value," said Alison Taunton-Rigby, president and CEO of Forester Biotech in Lincoln, Massachusetts. She urged listeners to be aware of how Wall Street and the pharmaceutical cycles affect the biotech industry. "Raise money when you can," she advised, "not when you need it."

The pros and cons of "biopartnering" came under scrutiny as well. This trend has been fueled by the increasing tendency of start-ups and small biotech companies to seek financing from large pharmaceutical companies. Big "pharma," in turn, have come to depend upon their small collaborative partners as the source for new drugs and technologies.

"Biotech alliances are the real solution to the problem," said Erling Refsum, the head equity analyst for London-based Nomura International, adding that knowledgeable people in both science and business also are needed to ensure continued growth.

The symposium was presented by the University of Michigan Business School's Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies, in conjunction with two University of Michigan entities—Technology Transfer and the Life Sciences Institute—and the Michigan Economic Development Corp.

Leadership Talent

New Organization Promotes Women in Business

A new national, nonprofit organization, announced last fall at the University of Michigan Business School, will work to build awareness of business education and opportunities for young women, increase the pipeline of women entering business and support the careers of women through business networks.

These efforts will complement the Business School's Women in Business Initiative, which seeks to increase the number of women in business nationally and to make Michigan the school of choice for female MBA students.



Bill Wood

Joyce Mullen

The newly formed group, whose name and headquarters have yet to be determined, is an alliance of educational institutions, businesses and nonprofit groups. Its board, which met for the first time on Nov. 6, will be co-chaired by Anna K. Lloyd, president and executive director of The Committee of 200 (C200), a professional organization of pre-eminent businesswomen, and Joyce Mullen of Dell Computer Corp.

Lack of awareness about the value and flexibility of business education and careers is often a major barrier to women, according to Jeanne M. Wilt, executive director of the new organization and assistant dean for admissions and career development at the Business School. "We need to demonstrate more effectively how business careers can be intellectually challenging, financially rewarding and socially useful," she urges.

ACROSS THE BOARD

In addition to the Business School, the University's Center for the Education of Women and C200, members of the new group include seven corporations, seven other business schools and a consortium.

Over the next three years, the new organization plans to expand its membership, serve the alumni of member schools and develop strategic partnerships with other key organizations that work with women and girls. It aims to raise \$20 million to support these activities.

Internet2 Project

FUMI2 Lab Goes Live at Michigan

Move over, R2D2 and C3PO. FUMI2 has just left the launch pad.

The new Ford-University of Michigan Internet2 laboratory, known as FUMI2, officially went online in March, formalizing the Business School's long-standing commitment to advancing the development of next-generation Internet services and applications. It is one of three such rooms developed in cooperation with Ford Motor Company as part of a \$1 million high-tech research effort.

The state-of-the-art gift from Ford establishes a research partnership with the Business School to study Internet2 and its potential uses in business, e-learning, communication and other venues.

"We are the only Business School that is doing pioneering work on Internet2," says Andrew McGill, co-director of FUMI2 and director of the Global Business Partnership. "What's exciting for us is the opportunity to partner with innovative companies in exploring new, better, faster, more efficient ways of doing business with the broader capabilities that Internet2 offers." Ford finalized its decision to proceed with funding and support for the laboratory after a student multidisciplinary action project (MAP) team studied the proposal last year and made a favorable recommendation, underscoring its potential.

Internet2 involves the creation of leading-edge networks for the national research community and the development of a new generation of advanced networking appli-

cations. Ultimately, these innovative networking services and capabilities will be transferred to all levels of educational use and to the wider Internet community.



W.C. Bergard

"What's exciting for us is the opportunity to partner with innovative companies in exploring new, better, faster, more efficient ways of doing business."

Leading this broad-based effort is the University Corporation for Advanced Internet Development (UCAID), a nonprofit consortium of more than 190 universities, including Michigan, which is working principally with research universities, but also with industry and government. UCAID's president and CEO is Douglas E. Van Houweling, who has played a major role in Internet development in the United States. He holds a faculty position at the University of Michigan as professor in the School of Information and has academic appointments in the Business School and the College of Literature, Science and the Arts.

FUMI2 will enable Business School students and faculty to study and pioneer Internet2 applications for business, and to collaborate with other universities and affiliates using Internet2. Initially, research efforts will be conducted by the Global Business Partnership in collaboration with Ford and Pfizer Inc. These efforts will focus on identifying best practices for this advanced technology and piloting the use of enhanced business applications that do not work effectively on today's Internet.

Martin Luther King Jr. Day

'End Modern Slavery,' Urges Noted Human Rights Advocate

Internationally respected human rights advocate and best-selling author Randall Robinson was the featured speaker during the University of Michigan Business School's 10th annual observance of Martin Luther King Jr. Day on January 21. In his keynote address, "What America Owes to Blacks and What Blacks Owe to Each Other," he urged the United States to "come to grips with its own past" and to end "modern slavery," which has perpetuated inequality, poverty, incarceration and despair for African-Americans and other minorities.

"I think Dr. King would want us to talk about what we are going to do to make our society better," Robinson said. "Democracy is difficult. It is rooted in an enlightened citizenry. That means we have a responsibility to know and to act."



Randall Robinson

Many of the nation's most visible symbols of democracy and enlightenment, including the Capitol building, the White House, prominent endowed Ivy League universities and leading American corporations, were built by unpaid slave labor or financed with money gained through 246 years of American slavery, Robinson told his audience. He deplored the failure of American historical

ACROSS THE BOARD

accounts to record and duly recognize the great contributions made to this country by African-Americans, such as ex-slave and abolitionist Frederick Douglass and Harriet Tubman, who helped 300 slaves find their way to freedom via the underground railroad. The rich ancestral heritage of African-Americans, which is rooted in the history of Africa's most advanced ancient civilizations, has been largely ignored as well, he added.

Robinson was 15 years old when the Montgomery, Alabama, bus boycott in December 1955 catapulted the young Martin Luther King Jr. into a leadership role in the civil rights movement. One day King spoke at the all-black high school in Richmond, Virginia, where Robinson was a student. As he departed, the civil rights leader shook Robinson's hand, leaving the young man with a sense of hope, and personal destiny, he had never felt before.

The solutions for many of the nation's problems will not come from Washington politicians, but rather from the bottom up in a new groundswell of support by young Americans.

Robinson went on to earn a law degree at Harvard University and to join the struggle for human rights in South Africa, the Caribbean and America. He is the founder of the Washington-based TransAfrica and TransAfrica Forum, two organizations that promote U.S. policies toward Africa and the Caribbean and seek to educate the American public about those policies. Robinson has authored several books, including the national best seller *The Debt—What America Owes to Blacks*.

During his address and a question-and-answer session, Robinson discussed his current efforts to obtain reparations for African-Americans in the form of education and economic development rather than direct financial payments. He also examined the causes and implications of America's burgeoning prison-industrial complex.

The solutions for many of the nation's problems will not come from Washington politicians, Robinson said, but rather from the bottom up in a new groundswell of support by young Americans.

Evolving Technology

Conference Focuses on Digital Convergence

Through practical convergence, manufacturers are becoming more efficient in selecting and integrating relevant technology into new products for their end users, keynote speaker Tim Mattox told his audience at the University of Michigan Business School during the 2002 FuturTech Conference in January.

Mattox, the vice president of relationship client marketing for Dell Computer Corp.'s client product group, was one of more than 30 experts from technology-related industries who appeared at this year's conference, titled *Convergence: Evolving Technology, Transforming Business*.

Speakers and panelists offered their insights into the rapid growth of digital convergence (the integration of different modes of communication into a unified medium) and the challenges it presents.

FuturTech, now in its fourth year, is an annual student-run initiative. It brings together the Business School community and industry leaders to examine how emerging technologies are affecting business organizations and consumers, and helping to shape business practices and product development. The conference also positions Michigan on the forefront of technology dialogue and demonstrates student interest in all facets of the industry. The two-day conference, held Jan. 17 and 18, was co-sponsored by Michigan Engineering, the School of Information and corporate supporters, including Dell.

The growth of broadband is one of four themes relevant to practical convergence in the PC business today, according to Mattox. These networks have greatly improved prospects for delivering high-speed Internet



Tim Mattox

ACROSS THE BOARD

connections to millions of consumers and businesses. Second, he said, the Internet has gained importance as companies have used it to become more efficient, reach more customers and solve business problems. Third, high-tech manufacturers have focused on developing a variety of small devices, including handhelds and tablets, which complement or one day may replace PCs. Fourth, the PC itself is changing, as wireless technologies drive a shift from fixed to mobile computing.

In industries most affected by convergence—communications, media and technology—strategic alliances and partnerships are redefining the space and blurring traditional boundaries. Investment in technology is trending toward a more customer-centric model while companies race to seamlessly integrate Internet technologies and make them easier to use. “If someone doesn’t buy your product, it might end up being a great science project, but that’s not how we run our business,” Mattox said.

The New Game

Strategy: Discovery of Wealth

Five fundamental forces are changing the way “the game” is played in business today, said keynote speaker C.K. Prahalad at the University of Michigan Business School’s 2001 Annual Business Conference in October.

Prahalad explained how organizations create access to new competence and new competitive space and what capacities are needed to lead industry transformation.

Prahalad is the Harvey C. Fruehauf Professor of Business Administration and professor of corporate strategy. He also is the chairman of the board of PRAJA Inc., a San Diego-based technology company dedicated to empowering people to find new ways to share and develop knowledge.

“My basic premise is strategy is all about the discovery of wealth,” said Prahalad. “Strategy is not about positioning your company in a given space, but about how you discover new space.” In the past, business organizations concentrated on learning how to play “the game” more efficiently. Today companies must compete in a much



C. K. Prahalad

different, highly competitive environment, where “the game is evolving and the rules are changing.”

“Strategy is not about positioning your company in a given space, but about how you discover new space.”

Prahalad identified five forces driving this change. “Deregulation is huge,” he said. “If you look at what is happening, not just in this country but all the way from China to Brazil to India, deregulation is the order of the day.” This carries important implications, because the deregulation of healthcare, power, utilities, airports and water has a huge impact on a host of other industries.

The second force, according to Prahalad, is globalization. “But I’m going to say globalization of an entirely different kind is taking place,” he added. “The world has changed dramatically, and we are thinking about globalization in a fundamentally different way.” Investments in plants and distribution are not necessary to enter markets. The Internet allows for “ease of access” without investment, as in commodity exchanges. Today small and individual players from emerging markets can enter the global marketplace.

The third piece, according to Prahalad, is emerging markets. “I believe the most

fundamental change that is going to impact all of us is four and a half billion people who feel disenfranchised, because we as large companies have not figured out a way to serve the bottom of the pyramid.” Much of Prahalad’s work has been focused on finding ways to improve socioeconomic conditions for the world’s poor.

“If you look at what is happening, not just in this country but all the way from China to Brazil to India, deregulation is the order of the day.”

Technological and industry convergence is a fourth factor driving change. The next big round of complex questions will be how business organizations create hybrids that cut across the intellectual divide. “We’ve talked about gender diversity, race, age and culture,” he said. “To me, the most interesting question to ask is how you get people who are trained as software engineers to work with chemical engineers. How do you get mathematicians to work in a bank, because most of them have no clue what banking is? So the question is how do you get these groups to work together?”

The fifth factor is the Internet itself, which has gained tremendous importance with new applications and greater penetration of countries worldwide.

“Any one of these forces taken at a time could create big problems and opportunities for us,” said Prahalad. “What we have is all five of them interacting in some interesting ways.”

Welcome Back!

Dean Robert Dolan and the Business School community

are pleased to welcome back C.K. Prahalad, who will be rejoining the faculty, effective May 1.

He has been on leave for the past two academic years.

Women in Business

Wall Street Whiz Kid Recognized for Leadership

Around Wall Street, she's known as "Mickie." But no one at the Big Board would ever describe her as mousy.

On the contrary, Muriel Siebert has fought hard to get where she is today, earning accolades as the "First Woman of Finance." Among her many groundbreaking accomplishments, she is the first woman to own a seat on the New York Stock Exchange and the first female to found and head one of its member firms, Muriel Siebert & Co. Inc.



Muriel Siebert

On February 7, Siebert gained yet another mark of distinction when the Michigan Business Women presented her with the 2002 Women in Leadership Award at the University of Michigan Business School, in recognition of her business leadership, charitable work and efforts to promote the success of women in business. The award presentation and lecture served as the kickoff event for the annual Women in Leadership Conference.

Twelve years ago, as part of her commitment to "give back," she founded the Siebert Entrepreneurial Philanthropic Program, which donates half of her company's net commission revenue on new issue underwritings to charity. In 1999, while serving as the president of the New York Women's Agenda, Siebert developed a Personal Finance Program for New York City's public high schools to teach young people how to manage their checkbooks and credit cards. She is a member of the Committee of 200, a professional organization

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of leading businesswomen, and works with many nonprofit civic groups.

In an oft humorous, but keenly insightful, commentary, Siebert narrated her roller-coaster career path, beginning as a college dropout who headed for the Big Apple in a used Studebaker with \$500 in her pocket in 1954, and landed a \$65 per week job at Bache & Co.

"I made the (New York) Stock Exchange co-ed on Dec. 28, 1967, 13 years after coming to New York," recounted Siebert, describing the hullabaloo that erupted when she became the exchange's first woman member. "You should have seen the headlines: 'Now the Girls Want to Play.'" She soon realized, however, that most women did not have any knowledge of financial matters.

The following year, Siebert commissioned a survey of four-year women's colleges nationwide. The results showed that 83 percent of the schools did not offer one course in personal money management. "The answer was, 'This is not a proper subject for ladies,'" she said. "That is what opened my eyes."

Today Muriel Siebert & Co. is the only firm in the financial industry owned and operated by women and minorities. "I'm really very proud of that," Siebert told her listeners. Last year the company bought two Web sites, Women's Financial Network and herdollar.com, in an effort to disseminate basic financial information to women.

"It's something I really believe in," she explained, "because most women, at one time or another, will have to take control of the family's finances, either for themselves, their children, the family or their parents. We just have to get this knowledge out to people."

Staying Connected

The Women's Leadership Council has begun using Webcasting and other high-tech communication forums to stay connected with its nationwide membership, which includes University of Michigan Business School alumni and senior women executives. Created in fall 2000, the Council is a key element of the Business School's Women in Business Initiative. This spring, the group is making telephone calls to recruit admitted female MBA students, providing counseling for current female MBAs and undergraduate women, and raising money for scholarships.

Yaffe Center

Conference Melds Design and Business

The concept that "good design is good business" provided common ground for a fast-paced two-day conference organized by the Yaffe Center for Persuasive Communication, a joint venture between the University of Michigan Business School and the School of Art and Design.

The event, held at the Business School in early February, brought together leading industrial designers and academics from the fields of design, marketing and product development for in-depth discussions of how brands are built through good design and what it takes to make "good design" happen. Guest speakers included Bruce Nussbaum, senior design editor for *Business Week*, Mark Dziersk, vice president of Herbst Lazar Bell Inc., and Craig Vogel, associate dean in the College of Fine Arts at Carnegie Mellon University.



Robert T. Schwartz, manager of industrial design for Motorola Inc., provided insight into design integration, describing the complex processes used to analyze the complexities of the ever-changing consumer market, generate new ideas and develop "products with passion" that "touch the soul." One of the major trends impacting product design today, according to Schwartz, is the rise of the "prosumer."

"These are people who want to dictate to manufacturers and retailers the nature of the products they are willing to buy, how they want them designed and delivered and how much they are willing to pay. And it's amazing when consumers get that power how much more they are willing to pay."

Dell Computer Corp., Polaroid Corp., 3-Com Corp. and Hewlett-Packard Co. are just a few of the consumer-product companies that have adopted this popular configure-it-yourself sales approach.

Resisting "skin and ship it" product roll-outs is not easy in a marketplace that demands blockbusters with low overhead, Schwartz admitted. However, he predicted, companies that ultimately succeed in the "Me Brand" arena "will not be those who differentiate markets, but those who differentiate their customers."

Business Law

U.S. Supreme Court Cites Muir's ERISA Research

The Employee Retirement Security Income Act, better known as ERISA, has generated a great deal of interest, and controversy, since it was enacted in 1974. Over the years, Dana Muir, associate professor of business law at the University of Michigan Business School, has done considerable legal research on employee-benefits issues. Her article, "ERISA Remedies: Chimera Or Congressional Compromise," which appeared in the October 1995 issue of the *Iowa Law Review*, analyzed the U.S. Supreme Court's earlier cases on ERISA remedies.

In January, a majority of the Supreme Court cited Muir's research when it handed down its opinion in *Great-West Life & Annuity Insurance Co. v. Knudson*, a case that dealt with the scope of remedies available to plaintiffs under ERISA. Before ruling on the *Great-West* case, the

Supreme Court needed to interpret its prior decisions and the statutory language. In reaching its conclusions, the majority opinion cited Muir's *Iowa Law Review* article three times.

The issue was a difficult one that divided the Court, according to Muir, and one that continues to raise policy concerns for employees, businesses that sponsor employee benefit plans and insurance companies. The opinion can be found at <http://a257.g.akamaitech.net/7/257/2422/08jan20021100/www.supremecourtus.gov/opinions/01pdf/99-1786.pdf>.

In mid-March, Secretary of Labor Elaine L. Chao named Muir as one of five new members of the Department of Labor's ERISA Advisory Council on Employee Welfare and Pension Plans. She will serve a three-year term.



Photos by Michael J. Schimpf



Clockwise from left: Vaclav Havel (center) with Bill Davidson (left) and Jan Svejnar; conference in Slovenia; student team in Brazil

Anniversary

William Davidson Institute Observes Its 10th Year

A decade ago, large-scale privatization was occurring in Russia, the Ukraine and most of Central Europe. One of America's leading industrialists saw a need for an institute that would "help forge a path for those responsible for economic change in transitional and emerging markets by providing the knowledge, methods and blueprints for a successful transition to a market economy."

This spring the William Davidson Institute (WDI), founded in 1992 by Guardian Glass Corp. and named in honor of its chairman, president and CEO, **William Davidson, BBA '47**, observes its 10th anniversary as a nonprofit, independent, educational institute at the University of

Michigan Business School. During that time, WDI has emerged as a leading center of research and expertise on the macroeconomic and firm-level issues affecting public and private enterprise operating in transition and emerging market economies.

"The first 10 years of the transition from central command to advanced market economies have dramatically changed the lives of one-third of the world's population that lived under communism," says Jan Svejnar, WDI executive director. "The William Davidson Institute was there to help, and to shape the process, through faculty research, student-faculty consulting teams, executive education and advisory service."

Highlights of WDI's first decade include:

- September 2000 visit by Czech Republic President Vaclav Havel, who received an honorary degree and spoke about globalization's intellectual challenge
- Naming of former U.S. Secretary of State Madeleine Albright as WDI's first distinguished scholar, effective September 2001
- Launch in 2001 of the Davidson Data Center and Network, a Web-based data archive on transition economies
- Completion of 340 international business assistance projects, involving 1,200 students, with partner companies in Central and Eastern Europe, Russia, Asia, Africa and Latin America
- Management training for 700 managers from 106 countries operating in transition and emerging economies



D. C. Guings

Dana Muir



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Martin Iloet

“When you see a big exclusion (of costs), you should be nervous. A straightforward restructuring—say, a closed Brazilian plant—is innocuous. But watch out for mysterious things. Anticipated closing costs. Inventory revaluations. What we are showing is that they are recurring expenses and should not be set aside. Investors should read the whole press release, and not just the headlines.”

Russell J. Lundholm, Arthur Andersen Professor of Accounting, who studied 120,000 quarterly earnings announcements and concluded that companies' exclusion of costs from their pro forma statements predicts lower cash flows in the future. The San Diego Union-Tribune, April 17, 2002

“President Bush came into office with a far more skeptical view of building bridges to North Korea, and his ‘axis of evil’ comment puts that perspective in its sharpest possible focus. I think that puts him at odds with the Chinese, at odds with the Japanese and at odds with South Koreans on this issue.”

Kenneth Lieberthal, the William Davidson Professor of Business Administration and professor of political science, assessing President Bush's trip to Asia. National Public Radio/Weekend Edition, February 16, 2002

“To succeed we need compassion times competitiveness.”

Dave Ulrich, professor of business administration, offering perspective on the challenge for human resources professionals seeking the right balance in the wake of the September 11 tragedy. Electronic Business, November 1, 2001

“Usually it's a good sign if executives are buying and a bad sign if they're selling. But you can't place sure bets. It's soft information. I wouldn't base my entire trading decision on what insiders are doing. I would look at it as a signal among other signals.”

Nejat Seyhan, the Jerome B. and Eileen M. York Professor of Business Administration and professor of finance, commenting on what insider trading says about the future of a company. The Philadelphia Inquirer, March 19, 2002

“The proposal to mandate the recording of assets and related liabilities for all leases is bound to spur controversy. It will likely become as much of a political football as was the U.S. Financial Accounting Standards Board's early 1990s attempt to require companies to record an expense for employee stock options, which Congress thwarted.”

Eugene A. Imhoff, Ernest & Young Professor of Accounting and director of the Paton Accounting Center, in Grid magazine's Finance Face-Off, “Should All Leases Appear on the Balance Sheet?” April 2002

“It may very well backfire because the board is supposed to be in an oversight, monitoring role. And if management could get away with this, where was the board?”

Cindy Schipani, professor of business law, reacting to findings of an internal investigation that revealed misrepresentation by Enron's management. CBS Evening News, February 4, 2002

“These companies drink cash for breakfast. When they have a new product going, they can't stop it. Product is their lifeblood. And the money just washes out the door.”

Gerald Meyers, adjunct professor of organizational behavior and human resource management, remarking on the ability of automakers to float along in reasonably good health, sustained by their huge cash flows. The Dallas Morning News, January 12, 2002

“During the 2000 presidential campaign, Al Gore derided George W. Bush's tax cut plan on the grounds that the average family would get about enough money to buy one extra Diet Coke a day—about 62 cents. His framing effort was clear in comparison to referring to the Bush plan as a \$1.6 trillion tax cut over 10 years.”

Joel Slemrod, the Paul McCracken Professor of Business Economics and Public Policy and director of the Office of Tax Policy Research, explaining the marketing ploys the government uses to quantify taxes so they don't seem so high. Financial Times, April 18, 2002

“The (real estate) experience of the late 80's and early 90's was not wasted on people. Builders have not responded as aggressively as they have in the past. There hasn't been the oversupply that is typical in this kind of cycle.”

Dennis R. Capozza, the Stephen M. Ross Professor of Real Estate and professor of finance, remarking on the stability of the U.S. housing market in “Economy's Rock: Homes, Homes Homes.” The New York Times, March 30, 2002

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THINKING IS ENCOURAGED @ FATHOM

Managing the Unexpected

Business organizations must learn to operate “mindfully” to ensure high performance.

By Karl E. Weick and Kathleen M. Sutcliffe

Weick is the Rensis Likert Distinguished University Professor of Organizational Behavior and Psychology. Sutcliffe is Associate Professor of Organizational Behavior and Human Resource Management.

Company managers often complain that “fighting fires all day” prevents them from concentrating on “more important matters,” such as writing strategy or planning for the future. Yet, “fighting fires” is probably one of the best investments an organization can make in its own performance. What these managers fail to realize is that ignoring day-to-day issues and/or failing to deal effectively with unexpected events can lead to bigger, more serious problems that eventually erupt into a costly, full-blown crisis.

By operating “mindfully” and making critical adjustments in a timely manner, business organizations are better able to manage the unexpected in a challenging, highly competitive environment.

Today’s headlines are full of news about companies that have announced sudden earnings shortfalls, layoffs, product failures and management irregularities. Witness the case of Enron, which skidded from its top-dog status as the nation’s number-one energy trader to the point of bankruptcy within the span of a few months. A host of other companies in industries ranging from automotive manufacturing, advertising and pharmaceuticals to toys, telecommunications and technology also have hit the business equivalent of a partially submerged iceberg, causing them to sink faster than the Titanic.

Is this fallout an inevitable consequence of an age of complexity and a highly volatile business climate? Not necessarily. There are ways companies can avoid being derailed by unpleasant surprises and keep their operations on track.

Research reveals that certain organizations have been highly successful in honing their abilities to act reliably and handle adversity. These are called high-reliability organizations (HROs). They include aircraft carriers, nuclear power plants and fire-fighting crews, which consistently deliver high performance in unpredictable situations where the potential for error and disaster is overwhelming. Although ordinary companies do not face do-or-die circumstances of the same magnitude, they can learn a great deal from HROs about managing their operations effectively under trying conditions so crises can be avoided.

To head off the disruptive escalation from issue to problem to crisis, business organizations must monitor their moment-to-moment activities continually, anticipate problems in advance and respond promptly to adverse events in a flexible rather than rigid way. When things do go wrong, companies must identify and empower those with the expertise to contain or minimize the situation, and then rely upon organizational resilience to bounce back quickly after a misstep. By operating “mindfully” and making critical adjustments in a timely manner, business organizations are better able to manage the unexpected in a challenging, highly competitive environment.

One common pitfall is rushing to make a decision before a situation is fully under-

stood. Some business organizations are so preoccupied with decision-making they fail to pay close attention to earlier events leading up to that point. To make matters worse, they plunge into action on the basis of their first impressions and then fail to revise their assumptions and expectations as new information comes to light. These companies continue to seek evidence that supports, rather than refutes, their actions because they only want confirmation of their responses. As a result, weak cues signaling pending disaster are ignored or discounted.



Martin Itoet

Karl E. Weick and Kathleen M. Sutcliffe

Planning further complicates matters. Mapping out a preconceived way to react to would-be problems actually discourages business organizations from viewing each occurrence as a unique event requiring an equally unique management response. Instead, the blinders come on and the brains turn off, as companies try to make the solution fit the problem rather than vice versa.

In reality, business organizations are better served by focusing on earlier, less obvious events where something out of the ordinary occurs or there is a near miss. Often these small details contain huge amounts of important information and may be indicators that everything is not going quite right in the company. By taking the time to understand a complex situation thoroughly—or “sense-making”—before jumping to a decision, managers can take steps to deal properly with an unforeseen event on an

issue level, rather than a problem or crisis level. HROs constantly engage in this “struggle for alertness” and continually revise and update their information as events unfold; they often are suspicious of first impressions, which may be misleading or inconclusive.

Five key practices can help business organizations develop a state of “mindfulness.” These practices must be implemented at all levels to develop a collective state of awareness of important details in companies. This can enhance their ability to be more reliable in managing the unexpected, and bolster their effectiveness in meeting customers’ expectations and retaining management talent.



**Managing the Unexpected:
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an Age of Complexity**

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Five Practices for Developing “Mindfulness”

1. Preoccupation with failure

Encourage the reporting of errors and pay attention to any failures. These lapses may signal possible weakness in other parts of the organization. Too often, success narrows perceptions, breeds overconfidence in current practices and squelches opposing viewpoints. This leads to complacency that in turn increases the likelihood unexpected events will go undetected and snowball into bigger problems.

2. Reluctance to simplify interpretations

Analyze each occurrence through fresh eyes and take nothing for granted. Take a more complex view of matters and look for disconfirming evidence that foreshadows unexpected problems. Seek input from diverse sources, study minute details, discuss confusing events and listen intently. Avoid lumping details together or attempting to normalize an unexpected event in order to preserve a preconceived expectation.

3. Sensitivity to operations

Pay serious attention to minute-to-minute operations and be aware of imperfections in these activities. Strive to make ongoing assessments and continual updates. Enlist everyone’s help in fine-tuning the workings of the organization.

4. Commitment to resilience

Cultivate the processes of resilience, intelligent reaction and improvisation. Build excess capability by rotating positions, creating additional sources of knowledge and adding new skills. Be mindful of errors that have occurred and take steps to correct them before they worsen. Once the fix is made, make every effort to return to a state of preparedness as quickly as possible. Be ready to handle the next unforeseen event.

5. Deference to expertise

During troubled times, shift the leadership role to the person or team possessing the greatest expertise and experience to deal with the problem at hand. Provide them with the empowerment they need to take timely, effective action. Avoid using rank and status as the sole basis for determining who makes decisions when unexpected events occur.

To contact Professors Weick or Sutcliffe directly, send messages to karlw@umich.edu or ksutclif@umich.edu.



Tyler Shumway

Tracking Sun Bourses

Sunshine positively impacts stock returns, says Business Professor Tyler Shumway.

Put Alan Greenspan, Argentina, Enron and unemployment on the back burner. Instead, take a peek out the window and see whether the sun is shining.

Keeping close track of the weather forecast may have more credence for stock investors these days than anyone ever guessed. A well-documented study by Tyler Shumway reveals that sunshine is strongly, positively correlated with daily stock returns in cities where those stock exchanges are located.

“Stock returns seem to go up on sunny days and down on cloudy days,” says Shumway, the Bank One Corporation Assistant Professor of Business Administration and assistant professor of finance at the University of Michigan Business School. He analyzed 16 years’ worth of weather data gathered from around the world, including 26 cities with stock exchanges. The conclusion he has drawn is that the presence of sunshine produces a positive psychological effect, which stimulates more optimistic trading and moves market indexes higher.

Gloom, on the other hand, spells doom for stock prices, in part because it negatively affects people’s moods. Bad moods tend to stimulate efforts at careful analysis and depress trading, while good moods make investors less critical and more bullish about buying stocks. Surprisingly, rain and snow don’t worsen returns.

Shumway and former Michigan Business School faculty member David Hirshleifer, who is now at Ohio State University, have co-authored a research paper detailing their findings. Titled after the old Beatles song, “Good Day Sunshine: Stock Returns and the Weather” has been accepted for publication by the *Journal of Finance*.

Shumway is the first to admit that some traders and market watchers may be a bit leery about the link between sunshine and stock returns. “Our results are surprising from the traditional efficient-markets point of view,” he concedes.

In an efficient-markets world, there is a great deal of competition, so stock prices are set in a rational way, “as if there is a

robot out there making the very best possible decision about what prices should be.” This process makes it very difficult for any investor to forecast the market’s direction or the price of stocks. Shumway’s research findings run counter to this traditional point of view by demonstrating that a single factor, sunny weather, has a measurably positive impact on stock-trading results.

His interest in this esoteric subject began in the early 1990s after he read an article in an economics journal reporting that sunshine was correlated with positive stock returns in New York City. At first, very few in the academic community were willing to buy this seemingly preposterous idea. Shumway himself was dubious, but willing to explore it further.

“Everybody thought of sunshine as an example of what we call data mining,” he says. The headline indicator, the Alan Greenspan briefcase indicator and the NFL teams Super Bowl indicator are familiar examples of data mining where people have developed forecasting models by matching stock movements with unrelated chance events.

The real breakthrough came when Shumway obtained detailed government data tracking international surface weather observations in 3,000 locations worldwide from 1982 through 1997. After a lot of number crunching with sophisticated statistical software, he was able to substantiate a definite correlation between sunny weather and positive market moves.

On a perfectly cloudy day, according to Shumway, a particular stock exchange has a 51.99 percent probability of experiencing a positive return and a 48.01 percent probability of having a negative return. Contrast this to a perfectly sunny day, where these probabilities change to 54.74 percent on the upside and 45.26 percent on the downside.

“Going from perfectly cloudy to perfectly sunny changes the probability of a positive index return by 2.75 percent,” says Shumway. “Although this is small, it is statistically significant, which means we are pretty certain it is not zero percent. In a rational, efficient-markets world, it should be exactly zero percent.”

In practical terms, the daily difference in expected market returns between a completely overcast day and a sunny day is nine basis points. Investors in New York City, for example, can expect an average annualized return on sunny days of nearly 25 percent compared with 9 percent on cloudy days. In other words, if there were a whole year’s worth of sunny days in New

York, 25 percent is the return investors would realize.

“This correlation makes a lot of sense if you believe that people are influenced by psychological biases that preclude them from thinking rationally all the time, and that they in turn affect the stock market,” says Shumway. “However, although the correlation is statistically distinguishable,

there is not a huge trading opportunity here. It would be hard to make a lot of money trading on the basis of weather, if you pay transaction costs.”

So what’s the bottom line for investors? Well, replies Shumway, someone is clearly not making market decisions in a perfectly rational way, so try not to let it be you.

“I think the biggest practical message is

that you should understand how your moods can influence your decision-making, and you probably should not make changes in your portfolio on days when you are extremely happy or sad,” he advises. “Try very hard to keep your feelings out of your investment decisions.”

To contact Shumway, send messages to shumway@umich.edu.

Through their ongoing research, University of Michigan Business School faculty members continue to bring new knowledge to the classroom and to the business community at large. Below are brief synopses of recent research in two different areas, accompanied by pertinent publication and contact information.

U.S. Trucking

If your business is like most, you depend upon the trucking industry to obtain your supplies and to deliver your products reliably at a reasonable cost. Francine Lafontaine and Scott Masten argue that a key concern in freight transportation, particularly trucking, is the logistical problem of assigning a wide variety of drivers and trucks to these hauls. The quality of shipping service depends upon the actions and

decisions of drivers, they say, so keeping drivers happy by giving them appropriate compensation is an important step in solving that problem. Lafontaine and Masten have presented their research findings in *Contracting in the Absence of Specific Investments and Moral*



Francine Lafontaine and Scott Masten

Hazard: Understanding Carrier-Driver Relations in U.S. Trucking.

To gauge the importance of driver compensation in the trucking industry, the authors looked at how driver fees are set and how those fees relate to haul characteristics. They reasoned that drivers who repeatedly are assigned to “driver unfriendly” hauls—that is, hauls that raise costs through time delays and other complications—are likely to be less cooperative, to reject hauls or to quit. This is a serious problem in the trucking industry, which has a labor turnover rate exceeding 60 percent.

In order to get drivers to accept such hauls, trucking firms find ways to tie driver compensation to the attractiveness of hauls.

Using a survey of truck drivers conducted by the University of Michigan Trucking Industry Program, the authors examined driver compensation and found that fee arrangements are indeed related to types of hauls. They reported that carriers tend to base driver compensation on mileage in the dry-van segment of the industry, where unattractive haul characteristics vary the least and mileage is a fairly good predictor of drivers’ costs. By contrast, the authors found driver compensation is more often set as a percentage of the shipper’s freight bill for flatbed, refrigerated and tanker hauls, which their data indicate have higher levels of “driver unfriendly” characteristics and costs that are less closely related to mileage.

Read their working paper at <http://eres.bus.umich.edu/docs/workpap/wp01-016.pdf> or contact Francine Lafontaine at laf@bus.umich.edu.

Private Debt Covenants

Iliia Dichev and Doug Skinner used a database called *Dealscan* to examine large samples of private-debt covenants, which are particularly important for private-debt agreements because the covenants in these cases are set tightly. As a consequence, most covenant violations, and the greatest avoidance of these violations, tend to occur with private debt. In contrast, covenants are few and loose for public debt, such as bonds, and violations are rare. Dichev and Skinner have reported their research findings in their paper, *Large-sample Evidence on the Debt Covenant Hypothesis*.

The size and type of samples and the covenant detail provided in the database enabled the authors to construct tests that provide direct evidence to support the debt-covenant hypothesis. They proved managers take actions to avoid debt-covenant violations. This conclusion was based on findings that showed an unusually small number of firm/quarters with financial measures just below covenant thresholds and an unusually large number that just met or beat covenant thresholds. This was particularly true before an initial covenant violation, thereby supporting the idea that initial violations are more costly than succeeding ones.

Dichev and Skinner also found that such violations are common—about 30 percent of loans had at least one violation—but for most firms, this did not reflect financial distress. Further, because private-debt covenants are set relatively tightly, the authors deduced that private lenders use these violations as a screening device, often waiving violations or resetting covenants without imposing serious consequences on the borrower.

The authors’ testing also enabled them to measure covenant-slack directly, so they examined firm leverage, which often is used as a proxy for closeness to covenants. They found that while covenant slack and leverage are correlated in the “right” way, the economic effect of this correlation is small, which implies that leverage is not a good proxy for closeness to covenants.

Read their working paper at <http://eres.bus.umich.edu/docs/workpap/wp01-013.pdf> or contact Doug Skinner at dskinner@bus.umich.edu.



Doug Skinner and Iliia Dichev

Henry Carter Adams Society Membership

The following levels are based on personal giving but can include an associated corporate match received in the fiscal year ending June 30.

Founder	\$25,000 or more
Principal Investor	\$10,000–\$24,999
Lead Investor	\$5,000–\$9,999
Investor	\$1,500–4,999
Shareholder	\$750–\$1,499*

*The Shareholder level is designed for new graduates and provides Investor level benefits until their 5th-year class reunion.

For more information on the Business School's Annual Fund and the Henry Carter Adams Society, please contact: John Copeland, Director of Annual Giving, at 734-763-5775 or jdcope@umich.edu.



Henry Carter Adams Society Founders

These "Founder" level donors have made gifts of \$25,000 or more.

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A Pioneering Effort

New Alumni-led Society Honors Henry Carter Adams

The name of Henry Carter Adams is once again focusing attention on an important new initiative at the University of Michigan Business School. Professor Adams, a former chair of the Economics Department, is credited with pioneering today's modern business curriculum at Michigan and laying the foundation for the Business School 78 years ago.

This spring the Henry Carter Adams Society, named in his honor, was established to help meet the School's ongoing need for annual unrestricted funds and to acknowledge the donors who provide this essential support. Unrestricted gifts enable the Dean to fund a variety of student, faculty and research proposals, and to react quickly to non-budgeted items and projects. Currently, the Annual Fund serves as the primary source for unrestricted dollars.

The Henry Carter Adams Society is led by alumni committed to increasing annual unrestricted contributions and creating opportunities to strengthen the relationship

between the Business School and its graduates. Donors, who can become members of the Society through their gift-giving, will benefit from educational and networking opportunities, as well as special recognition in alumni publications and at Business School events. More important, these gifts will help enhance the educational quality of the Business School by supporting innovative programs, teaching and research.

"I have been a contributor to the Annual Fund every year since I graduated from Michigan in 1979," says **Keith Alessi, MBA '79**. "The idea of the society was to establish a mechanism that would recognize major donors to the Fund and provide a significant recurring stream of income the Dean could utilize." Alessi has agreed to serve as chairperson of both the Annual Fund and the new Henry Carter Adams Society. He was approached to head the fundraising effort after **David Alger, MBA '68**, the prior national chairperson, was lost in the terrorist attacks on Sept. 11, 2001.

"We are excited that our alumni are partnering on the launch of the Henry Carter Adams Society," says Frank C. Wilhelme, assistant dean for development and alumni relations. "This combined effort will help the Business School maintain its high standards for teaching and research, and further Michigan's leadership role as a top-ranked educational institution. Becoming a member of the Society is a great way for alumni to give back to their School and reinvest in their own continuing education."

Five levels of giving have been established for individuals who wish to participate as members of the Henry Carter Adams Society. In a strong show of support, 15 alumni donors already have qualified for the highest level, Founder, with gifts of \$25,000 or more in annual support. (*See box for more details.*)

"Expectations of increased excellence without growing funding are not realistic," says **Barnett Helzberg Jr., BBA '56**. "The Henry Carter Adams Society is extremely important to the future of the Business School."

Lee Shainis, BBA '99, packed up his car after graduating from the University of Michigan Business School and headed for Portland, Oregon, in August 1999 to find a job with a west coast nonprofit organization. Part way through the trip, he stopped to visit some friends in Boulder, Colorado. That visit lasted a lot longer than he ever expected. In fact, Shainis never did make it to Portland.

Instead he settled in Boulder where in October 2000 he co-founded *Intercambio de Comunidades Español/Inglés*, a nonprofit organization dedicated to reducing the language and cultural barriers that prevent many Boulder County native Spanish speakers from becoming an integral part of the community.

"My dream always has been to start a nonprofit group, and I saw a real need here in Boulder," explains Shainis, now 24. "I wanted to create an exchange where volunteers could teach Spanish-speaking adults English and improve their own Spanish-speaking and teaching abilities, as well as share cultural friendship." Many Latino families in the Boulder area are immigrants who lack the language and cultural skills needed to improve their job and educational opportunities. Before *Intercambio* was established, they had very few resources to which they could turn for assistance.

Shainis' own student volunteer activities at the University of Michigan centered on human-service projects at a state prison, mental-health facility and camp for the mentally ill. This background laid the groundwork for his interest in helping the more than 30,000 Latinos who live in the Boulder metropolitan area. To brush up on his Spanish and learn more about Latin culture, Shainis spent six weeks in San José, Costa Rica, where he took language classes and volunteered in a home for the elderly.



Don Oberbeck

Bilingual Change Agent

Lee Shainis, BBA '99

Upon his return to Boulder in August 2000, Shainis and Shawn Camden, co-founder and co-director of *Intercambio*, worked together to bring their nonprofit idea to fruition, agreeing to forego any salary for the first year of operation.

"As a student at Michigan, I gained a lot of organizational and managerial skills, and I

wanted to use these to help the community," Shainis explains. "I feel strongly that the Business School should stress community responsibility, and companies should work cooperatively with nonprofit groups. It's not enough just to earn a lot of money and pay good salaries."

Today 120 *Intercambio* volunteers teach free evening and

weekend English classes attended by approximately 300 Spanish-speaking adults, ages 17 to 70, and conduct field trips to familiarize their students with the Boulder County community. *Intercambio* also holds workshops and provides resources to help Latinos meet medical, educational, residential and other social needs. Intercultural events, including potlucks, fiestas and soccer games planned by the students and teachers for themselves, their families and friends, promote greater understanding and friendship.

"I wanted to create an exchange where volunteers could teach Spanish-speaking adults English and improve their own Spanish-speaking and teaching abilities, as well as share cultural friendship."

Securing money to support the fledgling nonprofit enterprise has been the greatest challenge, according to Shainis. Last year, *Intercambio* successfully obtained \$90,000 in combined funding from the City of Boulder, nonprofit foundations, corporations and private individuals. In October, the organization received the NOVA Educational Award, which is presented annually to innovative and entrepreneurial nonprofits by the Boulder Community Foundation.

"I'm incredibly proud of what I've accomplished in the past year and a half," says Shainis. "I have bettered my life as well as the lives of hundreds of people who have volunteered or utilized the services of our organization."

For information, visit www.intercambioboulder-county.org.

**ALUMNI
AT LARGE**

ALUMNI AT LARGE

An IMAP project and an entrepreneurial studies class at the University of Michigan Business School have paid off big time for five MBA graduates from the class of 2001. The start-up company they founded last year, MVent, is scheduled to launch its first product line—wireless payments—in Singapore this spring in coordination with Citibank, and then in fall 2002 with other multinational banks. MVent is a play on the words Michigan and invent.

In October 2001, MVent was selected by the Singapore government to be one of four payment networks scheduled to go live in 2002.

MVent's new information routing infrastructure enables consumers and businesses to pay for goods and services using mobile phones, Web browsers and PDAs to access bank, debit and brokerage-account funds, or other capital resources, anytime and anywhere. The company markets its network to banks and financial institutions, which in turn use it to offer their customers and merchants services such as mobile payments with authentication of user identities at the point of purchase.

This entrepreneurial success story actually began two years ago with an international multidisciplinary action project (IMAP) at the Business School. Two of MVent's founders, **Richard Lui** and **Bobby Fan**, were members of an IMAP team assigned in March 2000 to Citigroup Singapore, where they developed business models to evaluate market readiness and competition for the company's e-brokerage services.



Bill Hood

Pictured above from left: Venkat Nagaswamy, Luke Beltinck and Richard Lui

Michigan + Invent = MVent

In fall 2000, Lui and Fan contacted their IMAP sponsor at Citigroup Singapore, Linus Goh, to discuss their desire to start a new business. Goh, who was then managing director of e-business, agreed to support their efforts. With his backing, the rest of the founding team—**Jennifer Hunt** and **Chad Mulder**—was identified. The team proposed a new idea for the development of a wireless payment network, and Goh selected MVent as Citibank's partner. That same semester, the founding team enrolled in Andy Lawlor's entrepreneurial studies course at the Business

School and worked on their concept outside class.

In January 2001, the fledgling company secured seed funding from Citibank Singapore and started to build a demo, or "proof of concept," to lab-test their idea. MVent relocated to Singapore and then began to draw upon the resources of the Business School, hosting an IMAP team from the class of 2002 in March 2001.

"We were IMAPers and we wanted to bring in other IMAPers to help us," says Lui. In June, MVent enlisted the assistance of 10 Business School BBA and MBA summer interns,

placed through the Samuel Zell and Robert A. Lurie Institute for Entrepreneurial Studies and the Center for International Business Education (CIBE). The interns' contributions were key to MVent's progress, and the company is in discussion to engage more interns and a third IMAP team this year.

"My Michigan education gave me the confidence to run my own business and to succeed in a highly competitive market and a down economy for technology."

In October 2001, MVent was selected by the Singapore government to be one of four payment networks scheduled to go live in 2002. Several company founders met with representatives of the Wolverine Venture Fund, which provides venture capital to new enterprises with Michigan ties, during a recruiting trip to Ann Arbor in December.

On April 1, a merger was signed to create Mobile Solutions & Payment Services Pte Ltd. Now, MVent will turn its attention to markets in South Korea, Taiwan and Hong Kong.

"My Michigan education gave me the confidence to run my own business and to succeed in a highly competitive market and a down economy for technology," says **Venkat Nagaswamy**, MVent's CEO.

By Claudia Capos

LEADING IN TIME

Compassion heals, but it's up to you to bring it out swiftly, spread it to every corner and manage its impact.

By Jane E. Dutton, Peter J. Frost, Monica C. Worline,
Jacoba M. Lilius and Jason M. Kanov

Excerpt with permission from the *Harvard Business Review*, January, 2002.

Once in a great while, tragic circumstances present us with a challenge for which we simply cannot prepare. The terrorist attacks of last September immediately come to mind, but managers and employees face crises at other times too. Such events can cause unspeakable pain for both the people directly involved and those who see misfortune befall colleagues, friends or even strangers. That pain spills into the workplace.

Leaders can help individuals and companies begin to heal by taking actions that demonstrate their own compassion, thereby unleashing a compassionate response throughout the whole organization. Our research at the University of Michigan and the University of British Columbia's CompassionLab has demonstrated that although the human capacity to show compassion is universal, some organizations suppress it while others create an environment in which compassion is expressed and spreads.

Beyond the obvious and compelling reasons of humanity, unleashing compassion lessens people's immediate suffering, enables them to recover from future setbacks more quickly and effectively and increases their attachment to co-workers and to the company itself. For those who witness or participate in

compassionate acts, their caring gestures contribute to their own resilience and attachment to the organization. A leader's ability to enable a compassionate response throughout a company fosters that company's capacity to heal, learn, adapt and excel.

Beyond Empathy

Empathy has limited capacity for organizational healing. Instead, our research shows compassionate leadership involves taking some form of public action, however small, intended to ease people's pain and inspiring others to act as well.

TJX President and CEO Edmond English, who lost seven employees aboard one of the planes that hit the World Trade Center, gathered his staff together shortly after the attacks. He called in grief counselors and chartered a plane to bring the victims' relatives from Canada and Europe to the company's headquarters in Massachusetts. He personally greeted the families when they arrived in the parking lot at midnight. Although they could take time off, most employees opted to work and support one another in the early days following the tragedy, as English himself had done.

For a historical perspective, Britain's Queen Elizabeth, the Queen Mother, showed great courage by refusing to leave

CompassionLab team members from the University of Michigan Business School include (from left): Monica C. Worline, Jason M. Kanov, Jane E. Dutton and Jacoba M. Lilius. Not pictured is Peter J. Frost of the University of British Columbia.



ES OF TRAUMA



London as bombs ravaged the city around her during World War II. She and King George visited sites that had been destroyed during the Blitz, showing great dedication, concern and commitment to the allied cause, and inspiring lifelong admiration and loyalty for her constant presence.

In vivid contrast, immediately following the terrorist attacks in New York City, leaders at a publishing company close to ground zero held regularly scheduled meetings the next day and provided little or no support for people to share and express their pain. One editor received a call at home early on September 12, as she was trying to help her 8-year-old daughter make sense of what had happened the day before, demanding to know why she was late for a meeting. Because she was given no opportunity to connect with her family, friends and colleagues and was offered little organizational comfort, her loyalty to the company eroded.

What English and other good leaders did was facilitate a compassionate institutional response on two levels: (1) provide a “context for meaning,” creating an environment in which people can freely discuss the way they feel, which helps them make sense of their pain, seek or provide comfort and imagine a more hopeful future; (2) provide a “context for action,” creating an environment in which those who experience or witness pain can find ways to alleviate their own and others’ suffering.

Meaning Amidst Chaos

Acute trauma, tragedy or distress can cause people to engage in intense soul-searching about the persistent and vexing questions that affect people: Why did this happen? Could I have prevented it? How will we cope? Why me? It isn’t your job as a leader to answer these questions. But you can provide an environment that enables people to work through these questions in their own way so

As a leader perhaps your most important step is to model the behaviors you would like to see others demonstrate.

History of the CompassionLab

The CompassionLab began in 1998 as a joint project of the University of Michigan Business School and the University of British Columbia, inspired by a common interest in the way stories of compassionate acts could inspire further acts of compassion. Together we began exploring the ways different organizations deal with pain and compassion and found significant differences in their capacity for compassion, which directly impacted how quickly and effectively people in those organizations recovered from tragic events.

Over the years, we have done extended studies on painful events such as serious illness, death and violent acts, and have interviewed both the people directly affected and those who witnessed others' suffering to learn how organizations can encourage or suppress the healing process. We also have examined how the degree of organizational compassion affects employee retention, and how everyday acts of compassion enable healing. Our research took on added urgency with the events of September 11.

they can eventually start assigning meaning to events and begin healing.

You can set an example for others by openly revealing your own humanity. Mayor Rudolph Giuliani's public display of grief in the wake of the New York terrorist attacks set the stage for an honest expression of anguish and strengthened people's resolve to rebuild and restore confidence in the city. When people know they can bring their pain to the office, they no longer have to expend energy trying to ignore or suppress it and can more easily and effectively get back to work, which can be healing in itself.

But when people must suppress their emotions, they don't know how and where to direct their energies. A visitor died suddenly in an architectural firm's hallways despite employees' heroic efforts to revive him. Company leaders provided no public acknowledgement of the trauma, leaving people shocked, demoralized and uncertain how to respond if such an event occurred again. This damaged the employees who were directly involved and the social fabric of the whole firm, creating a permanent rift between employees and management.

A seemingly simple but important aspect of demonstrating your humanity is just being present, physically and emotionally. It shows employees the organization cares about what happens to them and will do whatever possible to help them in time of need. But that doesn't come easily or naturally to most people. One CEO told us his tendency had been to shrink from addressing people's personal problems, until the sudden death of his own son revealed for him the power of other people's presence.

Leaders also can help people in times of trauma by taking care of their basic needs, which gives people room to understand events and allows them to focus on coping with the crisis. Communicating and reinforcing organizational values, reminding people about the larger purpose of their work as they struggle to make sense of major life issues, also is critical.

The Benjamin Group, a public relations firm, demonstrates its values by taking a stand on how employees are treated not only by their colleagues and managers but also by their customers, suppliers and business partners. CEO Sherie Benjamin has established a code of principles that includes the statement "We're all in this together." A few years ago, the firm dropped a million-dollar account, fully 20 percent of its annual business, for being abusive to firm members. Employees were startled, but they were energized too. Inspired by knowing the firm cared about their well being, they worked extra hard to bring in new clients.

Symbolic gestures also can be very powerful. Two days after the September 11 terrorist attacks, England's Queen Elizabeth II asked her troops to play "The Star Spangled Banner" during the changing of the guard services outside Buckingham Palace. This extraordinary break from a tradition dating to 1660 provided thousands of Americans far from home, as well as supporters from other countries, a way to pay their respects and to mourn.

Actions Amid Agony

A context for meaning is the all-important backdrop for creating a compassionate organization; but in creating a context for action, leaders can truly unleash the organization's power to heal. As a leader perhaps your most important step is to model the behaviors you would like to see others demonstrate.

When a fire destroyed some student living quarters at the University of Michigan Business School, former Dean Joseph White interrupted his annual "state of the School" speech with some strikingly personal remarks. He assured displaced students the School would house them and wrote a personal check on the spot to pledge his support. Word of White's actions spread fast, catalyzing a campus-wide effort to tap alumni, faculty and staff networks to find housing, financial support and other resources for the students affected by the fire.

Measuring Organizational Compassion

When tragedy strikes, a company's existing infrastructure (its formal and informal networks and routines) can be helpful in locating useful resources, generating ideas, coordinating groups and communicating to people what is happening and how the company is responding. After two Macy's stores were badly damaged in the 1994 Northridge, California, earthquake and could not immediately reopen, a store manager used the payroll system to deliver cash quickly to employees whose homes were destroyed. Following the immediate relief effort, the human resources team used its placement routines to search among other stores for opportunities to put displaced workers back on the job.

In other cases, companies set up new routines or networks designed specifically to expedite aid in the event of a crisis. Cisco designed a network to provide medical assistance to any member of the Cisco family traveling abroad. In 1998, civil strife in Indonesia put Jakarta-based employees in the midst of the conflict. The company Cisco used to provide international health services sent an ambulance, which could travel anywhere through the streets, to the Jakarta headquarters. Employees were loaded into the ambulance, hidden beneath blankets and driven to a deserted army airstrip where a waiting aircraft took them to safety.

From the Bottom Up

When the organizational context emphasizes and inspires compassionate response, bottom-up initiatives also can have a transformative effect. At Foote Hospital in Jackson, Michigan, employees wanted to help a colleague who had lost three close relatives, so they lobbied for a system whereby they could donate vacation or personal time to others who need some extra days off. This program took on new life in the wake of the attacks in New York and Washington, DC. Foote employees donated more than \$18,000 worth of vacation time to the Red Cross relief fund, and the hospital matched this amount.

Compassion Rewards

Employees will reward companies that treat them humanely. On December 11, 1995, a fire destroyed the Malden Mills manufacturing plant in Massachusetts. Instead of taking his \$300 million insurance payout and relocating or retiring, owner Aaron Feuerstein decided to rebuild. He announced he would keep all 3,000 employees on the payroll through December. In January, he said he would pay them for a second month; and in February, he pledged to pay for a third. Feuerstein's generosity made quite an impact: Productivity at the plant nearly doubled once it reopened.

The costs of not providing leadership and organizational vehicles to help people deal with their grief are considerable. If people in pain don't have appropriate outlets, they may become nonresponsive and uncooperative in dealing with colleagues and customers. Over time, if an organization will not or cannot support the healing process, employee retention will suffer.

At one newspaper, a newsroom manager lost his wife to breast cancer. During his wife's extended illness, the employee endured complaints about his relatively low level of productivity. On his first day back to work after the funeral his boss said, "I guess you'll be working those 12-hour days again." The journalist, who was now raising two young children on his own, quit.

You can't eliminate suffering, but you can use your leadership to begin the healing process. Through your presence you can model behaviors that set the stage for making meaning out of terrible events. Through your actions you can allow people to find their own ways to support one another through times of pain. This is a kind of leadership we wish we would never have to use, yet it is vital if we are to nourish the very humanity that can make people, and organizations, great.

For a quick, high-level check on the effectiveness of your organization's capability for compassion, consider how it performs on four dimensions:

The **scope** of compassionate response: The breadth of resources provided to people in need, such as money, work flexibility, physical aid and other people's time and attention.

The **scale** of compassionate response: The resources, time and attention people who are suffering receive. Companies that are most effective at unleashing organizational compassion match the scale to the need.

Speed of response: Companies with a competence for compassion extract and direct resources quickly. Even in highly regimented bureaucracies, compassion can kick in quickly.

Specialization: The degree to which the system customizes resources to the particular needs of an individual or group in pain.

For additional resources, visit the "Leading in Trying Times" Web site at <http://www.bus.umich.edu>.

Jane E. Dutton is the William Russell Kelly Professor of Business Administration at the University of Michigan Business School in Ann Arbor. Peter J. Frost is the Edgar F. Kaiser Professor of Organizational Behavior at the University of British Columbia's Faculty of Commerce and Business Administration in Vancouver. Monica C. Wortline is a doctoral candidate in the University of Michigan's department of organizational psychology. Jacoba M. Lilius and Jason M. Kanov are doctoral students in the University of Michigan's department of organizational psychology.



Amyra Haezani

LINKING BUSINESS AND

*Companies can promote more peaceful
workplaces and societies*



Business School Professors Tim Fort and Cindy Schipani, pictured at left in the William Davidson Institute library, have been exploring the role of business in promoting world peace for several years. Currently, they are writing a book together and have begun work on a second peace symposium, scheduled for fall 2002.

Governments often act as international peacekeepers and nation builders. But can business organizations also play a role in fostering sustainable peace and countering the conditions that breed violence, poverty and social unrest? Evidence indicates they can, and many global companies, big and small, have committed themselves to achieving these goals.

“Business organizations may be able to promote peace among people because they provide economic development that can mitigate the harshness of competition over scarce resources,” say Timothy L. Fort and Cindy A. Schipani, who are researchers, authors and faculty members at the University of Michigan Business School. “Businesses also can reach across the borders of countries that otherwise might have reason to be in conflict.”

Schipani and Fort serve as co-area directors for corporate governance and corporate social responsibility at the William Davidson Institute, which is headquartered at the Business School. For the past several years—well before the events of September 11—they have been exploring the link between business and peace. In recent months, their work has taken on even greater importance, and gained national attention, in the wake of escalating world conflict. Last November, they led the “Corporate Governance, Stakeholder Accountability and Sustainable Peace Symposium,” a multidisciplinary conference sponsored by the Davidson Institute and funded by the Davidson Insti-

tute, the Aspen Institute and Dr. Erika Parker in memory of her late husband, **Edwin C. Parker Sr., BBA '54, MBA '55**. The symposium attracted 20 scholars, including former Secretary of State Madeleine Albright, a distinguished scholar at the Davidson Institute. In addition, the twosome shared their views in an op-ed article in the *Financial Times*, titled “Companies can help make peace,” and they are writing a book together. Fort is an associate professor of business ethics and business law, and Schipani is a professor of business law.

Global corporations can promote peace in five ways (see box), the twosome say. The first step is to avoid corruption—something that, at first glance, may seem obvious, but is not when taken in a global context. Schipani and Fort have established a correlation between perceptions of corruption and the use of violence in resolving disputes. Their conclusion is based upon studies conducted by Transparency International and the Heidelberg Institute for International Conflict Research. “Countries that are perceived by business to be the most corrupt resolve disputes by violence 60 percent of the time,” Fort says. “So, when a corporation engages in paying bribes and participates in that social milieu of corruption, it is at least plausible that those activities will encourage and feed the violence.”

Conversely, countries perceived by business to be less corrupt resolve disputes by violence only 14 percent of the time and use peaceful means much more often. “The numbers for violent resolution decrease

PEACE



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Day in the Life

A Global Blue Program

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Since 1994, more than 500 first-year MBAs and BBAs have spent a “Day in the Life” with UMBS alumni at hundreds of U.S. companies, large and small. Global Blue thanks our alumni and corporate participants for supporting this popular mentoring and recruiting initiative!

What Participating Students Have to Say:

“I had the opportunity to spend a day at **A.T. Kearney**, a top-tier consulting firm, in Chicago. This “Day in the Life” experience provided me with a behind-the-scenes look at the consulting industry. If you are excited about solving problems, piecing together puzzles, and applying theory to real life, you may want to take a closer look at A.T. Kearney....”

“We think we have discovered a gem.... If you’re looking for a company that has a long-term perspective with regard to MBA development, a company that views each new hire as an individual, and a company that’s undertaking change in most all that it does... **Pitney Bowes** may be the company for you.”

“As my peers were going to visit firms all across the U.S., I took the road less traveled. I spent my day learning about the **University of Michigan Technology Transfer Office**. [The day] was an eye-opening experience, as I had no idea about the exciting technological innovations that are being developed right here.”

“It became clear that in the day in the life of a brand manager, one uses both analytical and creative skills. **Johnson & Johnson’s** dedication to the training and development of their brand managers was evident in all of our interactions....”

“Discovering **ZS Associates** through interactions with an assortment of its people was a one-of-a-kind journey.... Creativity, relaxed atmosphere, excellence, insight, entrepreneurship, details, and trust are all components of a mixture that sets this growing consulting firm apart....”

Excerpts reprinted from The Monroe Street Journal. For more Day in the Life reviews, visit www.theMSJ.com.

The University of Michigan Business School and Global Blue thank Citigroup-Salomon Smith Barney for their generous support of the 2001-02 Day in the Life program.



Global Blue will begin accepting corporate registrations for next year’s Day in the Life program on August 1, 2002. To receive our summer informational mailing, contact us at UMBSditl@umich.edu or (734) 647-4714.

Five Steps Toward Peace

dramatically in a non-corrupt environment,” Fort adds. “So, when businesses avoid corruption, they may well help to build sustainable peace.”

Business organizations can take proactive steps to foster positive relations among the people of other nations by modeling the behavior of good corporate citizens. Johnson & Johnson is a case in point. The maker of personal and health-care products has established a Worldwide Contributions Program with the motto, “healthy people, healthy plant, healthy futures.” J&J contributes \$225 million annually to international programs in four core areas: access to health care, children’s health, education relating to healthcare, science and technology, and community responsibility. These efforts include reducing neonatal tetanus in rural China, training midwives in the Philippines and stemming malnutrition in Brazil.

Global corporations can promote peace in other ways by creating and assisting democratic governance structures within the countries where they do business, as well as within their own company organizations. “The history of many emerging or post-communist countries is very authoritarian, either culturally, governmentally or religiously, so a corporation that encourages employees to voice concerns also begins to teach democratic skills,” Schipani says. Leading by example is one of the most effective ways to convey the importance of human rights, corporate transparency, personal privacy, gender equity and fair labor practices.

During her tenure in the Clinton Administration, former Secretary Albright established an Award for Corporate Excellence to recognize American companies that brought a sense of corporate governance to the local communities where they operated outside the U.S. “I think it was a big step forward in showing the partnership that could exist between business and government in promoting best practices,” she said at the peace conference. “And the award illustrated how effective American companies

could be in coming to terms with local environment, health issues and general corporate responsibility.”

Xerox Corp. won a Corporate Excellence award for its community efforts in Brazil, where it sponsors local sports programs and provides food and health services for children. The corporation also encourages its employees to participate in local consulting programs designed to help lift people out of poverty. Another award recipient, Rayonier Corp., is a wood-products company based in Jacksonville, Fla. The company owns 220,000 acres of timber and processing facilities in New Zealand. There, Rayonier has donated \$23,500 to support community projects in one area, provided materials to farmers to build dairy roads, purchased emergency radios for school busses and granted scholarships for local students. The company also provides support for indigenous Maori people and monitors environmental management at company facilities.

The list of businesses recognized for dedicating company time and resources to positive corporate governance continues to grow, Fort and Schipani say. And, as their research suggests, these efforts can be good investments for the individual corporations and can promote long-term sustainable peace and human rights among their workforces and within their indigenous host countries. Clearly, more stable international socioeconomic environments are good for all. “If ever there were a time for corporations to consider taking the next step toward peace, it is in the post-September 11 world,” say Schipani and Fort. “Who takes it, and how, is a matter of courageous leadership.”

The conference papers have been published by the *Vanderbilt Journal of Transnational Law*, Volume 35, Issue 2 (March 2002). Or, you can read them on the Internet at <http://www.wdi.bus.umich.edu/events/peace2001.htm>. The 2002 peace conference is scheduled for November 22–24.

1. Avoid corruption, because corruption is highly correlated with violence in resolving disputes.
2. Support the free market so that everyone, including the poor, has an opportunity to participate in productive business activities.
3. Engage in “track two diplomacy,” an unofficial interaction among non-state entities that allows information and proposals to be passed between governments.
4. Be a “good neighbor” in the local community.
5. Examine democratic processes within the corporation and make the workplace a mediating institution, where moral values are formed.

“If ever there were a time for corporations to consider taking the next step toward peace, it is in the post-September 11 world.”



Martin Thost

Madeleine Albright, left, fields questions from NPR's Todd Mundt

A CONVERSATION ON GLOBAL SECURITY ISSUES

Former Secretary of State Madeleine K. Albright discussed important global security issues facing American foreign policymakers with National Public Radio's Todd Mundt (pictured above) before a live audience of University of Michigan Business School students, faculty and friends. The radio show was taped on February 21 in Hale Auditorium and was later broadcast by NPR affiliates. Albright is a Distinguished Scholar at the William Davidson Institute.

The following are excerpts of her comments.

Rebuilding Afghanistan:

We need to help Afghans create the institutional structures necessary to have Afghanistan be a functional state. This administration has made nation building into a four-letter word. I don't care what you call it. It is necessary for the United States to be part of helping to create a structure there, so there is not the kind of vacuum that existed in 1989 when the Soviets were defeated.

Why International Support Is Necessary:

One thing we have learned generally about new countries and countries in transition is they need help in sorting through what kind of institutional structures to have and how to relate various parts of the country to the center. In Afghanistan, it's an even greater problem because we all know about the warlords and how they basically control various fiefdoms and relate to the central government. We also must help them figure out how to rebuild the economy and how to make sure that whatever money goes in there through international assistance is not wasted. We also have to help with the educational system and health issues. That doesn't mean we do it, but there has to be support of the international community to make that happen, because the place is rubble. There are a lot of Afghans who are going back and who want to be a part of the rebuilding. I think it deserves international support.

Prism of Terrorism:

I am worried about our turning into a world that is like the Cold War world, where the terrorists take the place of the communists. We made a lot of mistakes during the Cold War where we saw communism as a model among countries and within countries. I think we are about to make the same mistake about terrorists, or about terrorist-supported states. They are all slightly different. To lump Iran and Iraq together is a huge mistake. To see everything through the prism of terrorism is an error. If we now only are going to be supportive of people who are on our side—whatever that is—we are going to miss a huge element of what our national interest is. I think we have narrowed our national interest, and that's a mistake we will pay for later.

U.S. Policy in Iraq:

I think Saddam Hussein is a dictator, who has tortured his own people, gassed them, trashed another country, sought to develop weapons of mass destruction and must be contained. Though it may not be satisfying, the policy of containment of Saddam Hussein by necessity should be continued. Sanctions must be continued. We actually came up with this idea of what are now known as smart sanctions, which are targeted more at the regime. I am not opposed to taking action against Saddam Hussein, but I am opposed to diverting our attention from what must be done in

Afghanistan. We must make sure our allies stay in place before we start drawing men away to move into Iraq prematurely.

Progress with China:

I think relationships with China are always multidimensional, intricate and important in a variety of ways. I'm very glad there are discussions with China because, if you remember, prior to September 11, we were systematically turning China into enemy number one and feeling we could not deal or talk with them. We had the incident with the airplane and were very concerned about the buildup against Taiwan. So I think engagement is a very good thing. I can tell you from my own experience with the Chinese that it is a very slow process and you eventually arrive at agreements, but not necessarily on the timing and schedule you have thought out.

The Clinton Administration and North Korea:

We in the Clinton Administration thought North Korea was a dangerous country. We came up with something known as the Perry Process, named after former Secretary of Defense William Perry, in which he basically said to the North Koreans: "We are concerned about where you are going in exploiting missile technology and the potential for nuclear weapons. You have a choice of getting involved in a productive negotiation or going down a path that leads to confrontation." They chose the former. So we were involved in some fairly detailed discussions and were in the process of negotiating a verifiable agreement whereby North Korea would not export missiles or missile technology.

Current Negotiations with North Korea:

It was evident initially that Secretary of State Powell was interested in moving forward. Then Kim Dae-Jung, the president of South Korea, came to Washington and President Bush said, "I don't want to do anything about that." Then he had this very strong rhetoric in the State of the Union Address, calling Iraq, Iran and North Korea the "axis of evil." Ten days later he put out something else. I think the North Koreans may be confused as to what the message is, and they are waiting to sort it out.

What America Should Stand for:

I have said America is an indispensable power. I believe that fully. But it doesn't mean indispensable only in a military sense. We do have the strongest military, and it is there to fight terror and our enemies. But what we are *for* is something about which we should be very clear. We should be for democracy and believing it is the best system and that we are all alike and that most people would like to make decisions about their lives. We should be for development. We should be for human rights. We should be for health and the health of the environment—all kinds of positive issues that would make this a safer world.



01 UNION



Photos by Michael J. Schimpf, Brian Widdis and Liz Call



ATLANTA

UMBS Society of Atlanta members met on October 27, 2001, at the home of Larry Coates, BS '78, for the group's inaugural meeting and the Michigan-Iowa gridiron kickoff. Among the attendees were **Ben Roden, MBA '97**, president of the UMBS Society of Atlanta, and **Fred Elrod, MBA '75**, president of the UM Club of Atlanta. Contact Ben Roden at 678-419-6462 or ben.rodan@us.pwcglobal.com.

CHICAGO

In January, the UMBS Club of Chicago elected new officers: president **Greg Bolino, MBA '92**; secretary **Timothy Johnson, MBA '00**; CFO **Kreg Keese, MBA '92**; VP, marketing **Jim Davis, MBA '96**; VP, events **Laura Glick, MBA '01**; and VP, young alumni **Daniel Gitlin, BBA '98**. Other club events included a cocktail reception for alumni and newly admitted students; special receptions for Dean Bob Dolan and UM Interim President **Joe White, PhD '75**; and a night at the Joffrey Ballet. Contact Greg Bolino at 312-201-6751 or gbolino@telution.com.

HONG KONG

Richard Chow, MBA '97, and the UMBS Club of Hong Kong organized a gathering on February 7 at the Zentro Bar Eatery to celebrate the Year of the Horse, catch up with friends and classmates and welcome newly admitted Hong Kong students to the Business School.

For a calendar of upcoming alumni events, visit www.bus.umich.edu/alumni/a-events.html



NEW YORK

The UMBS Club of New York hosted a "Welcome to New York" happy hour on January 30 to introduce 2001 graduates to the UMBS alumni community in the Big Apple. Pictured above, at The Ginger Man on 36th Street, are: **Sherry Lee, MBA '00**; **Luke Fleckenstein, MBA '92**; Mei Wu, Sherry's friend; **Rachel Zimmerman, MBA '00**; **Tricia Gorton, MBA '01**; **Greg Matteosian, MBA '01**; and **Maxie Maultsby III, MBA '00**.

DENVER

Denver-based alumni **Jane Okun, MBA '89**, **Kent Schmeckpeper, MBA '87**, and **Brian Walshe, MBA '86**, are organizing a UMBS Club of Denver. They are working closely with the Denver Business Series (DBS), a consortium of MBA alumni from 14 top-ranked business schools. For information about upcoming DBS and UMBS events, contact Jane Okun at janeok@msn.com.

CHINA

Daniell Chen Heller, GMBA '00, announced the creation of the new UMBS Club of China, which is open to all members of the UMBS community who have a connection with or interest in China. Visit <http://communities.msn.com/MichiganinChina> or contact Daniell Heller at hadaniell@hotmail.com.



AUSTRIA

The first UMBS European Reunion was held in Vienna in November 2001. Pictured from left to right: **Philipp Reiber, MBA '96**; Anja, guest of **Jonathan Fragodt, MBA '96**; **Jonathan; Johannes Neander, MBA '00**; **Joerg Windbichler, MBA '96**, and reunion organizer; **Mario Stein, MBA '96**; Ron Bendersky, associate director of Executive Education, University of Michigan Business School; and **Klaus Kemme, MBA '00**. Other reunion attendees included **Tan Kalaycioglu, MBA '96**, and **Matt Dumas, MBA '96**.

DETROIT

Steve Renaldi, MBA '95, president of the UMBS Club of Detroit, announced new board members for 2002: David Andrea, MBA '85; Samir Bagri, MBA '93; Yves Guillou, MBA '93; Marcus Harris, BBA '97; Christopher Johnson, MBA '93; Steve Morris; Keith Postell, MBA '68; Ellen Sasson, MBA '93; Peter Scott, MBA '94; Ajai Vasudevan, MBA '01; Jason Wanecek, BBA '95; and Ilene Weathers, MBA '95.

Last fall, the club sponsored an automotive panel on emerging fuel-cell technology; a Scotch-tasting party; professional skills workshops conducted by Executive Education faculty; and a Detroit Pistons outing. The club also co-hosted a reception for Dean Bob Dolan and a reception/dinner with Kevin English, president and CEO of Covisint LLC. Other club events included a professional skills workshop; a bowling party; and a presentation by marketing guru Sam Hill. Visit www.umbc-detroit.org or contact Steve Renaldi at srenaldi@300capital.com.



BLACK ALUMNI ASSOCIATION

The UMBS Black Alumni Association (UMBSBAA) held its annual Alumni Dinner in conjunction with the BBSA Annual Conference in Ann Arbor on March 8–10. Other events took place in Atlanta, Chicago, Los Angeles, New York, San Francisco and Washington, DC.

The group, established in 2000, is led by chairperson Harry McElroy, MBA '78; vice chairperson William Beckham, MBA '95; secretary Janell Lofton-Minta, MBA '00; and treasurer Vincent Harris, MBA '94. Pictured here are Isadore King, BBA '71/MBA '74 and his wife Linda. For more information, visit www.umbsbaa.org or contact Harry McElroy at hmcelroy@performigence.com.



WASHINGTON, DC

The UMBS Society of Washington, DC, held a “kid friendly” holiday celebration on December 16 in Chevy Chase, MD. The event, organized by Amy Rose Freedland, MBA '90, drew alumni, family and friends. Pictured above are: Keith Maccannon, MBA '01; Deidre Maccannon; and Devin Lasalle, MBA '00.



ANN ARBOR

University of Michigan Business School club leaders gathered in Ann Arbor in October for the 2001 Leadership Workshop, sponsored by Alumni Relations in conjunction with Reunion Weekend. For a copy of the 2001 Leadership Workshop agenda and a meeting summary, contact Alumni Relations at alumni@umich.edu.

Leadership Workshop attendees pictured above, from top to bottom and left to right, are Tim Sullivan, MBA '94 (Washington, DC); Steve Renaldi, MBA '95 (Detroit); Joel Schlachtenhaufen, MBA '97 (Twin Cities); Chuck Hornbrook, MBA '98 (San Francisco); Harry McElroy, MBA '78 (Los Angeles and Black Alumni Association); Paul Campbell, BBA '61 (Fort Wayne); Christy Campbell Mohan, MBA '97 (San Francisco); David Treece, MBA '88 (South Florida); Jane Okun, MBA '89 (Denver); Don Konipol, MBA '75 (Houston); Takeo Suzuki, MBA '76 (Japan); and Edward VanDam, MBA '96 (China). Not pictured: Christian Seiling, MBA '96 (Argentina); Mike Shingler, MBA '90 (Indianapolis); and Dan Skeeters, MBA '98 (Louisville).

Lifetime E-mail Forwarding Is Here for All Alumni!!

The University of Michigan has begun providing Lifetime E-mail Forwarding to all alumni. This means that you can sign up for an "@umich.edu" e-mail address, redirect it to your current e-mail address and enjoy Lifetime E-mail Forwarding at no cost to you!

E-mail forwarding is a wonderful communication tool that:

- Enables you to stay in touch with classmates and other members of the Business School community, even during career changes and changes in Internet providers.
- Offers a clear association with the University of Michigan.

To activate your Lifetime E-mail Forwarding, visit <https://login.www.umich.edu>. If you don't have a username, you'll need to verify your identity with either your Social Security number, your U-M ID or your alumni ID. **If you don't remember your U-M ID, and you don't want to use your Social Security number, your alumni ID is located on the mailing label on the back of your Dividend. It's a ten-digit number, the first three digits being 000.**

If you need further instructions, or have questions about Lifetime E-mail Forwarding, visit the Alumni Relations Web site at <http://www.bus.umich.edu/alumni> and click on Lifetime E-mail Forwarding. Or contact Alumni Relations at alumni@umich.edu or 734-763-5775.

SOUTH FLORIDA

In February, the UMBS Club of South Florida drew nearly 100 UMBS, Harvard and Wharton alumni and guests to a presentation by Business School Professor Noel Tichy. Pictured right are Professor Noel Tichy; and UMBS Club of South Florida president **David Treece, MBA '88**. Also in attendance were Ann LaCivita, director of Alumni Relations, and three recently admitted MBA students to the Business School's Class of 2004.



GERMANY

Andreas Kirschkamp, EX '98, is spearheading the formation of a UMBS Alumni Club in Germany. Letters and surveys were e-mailed to German alumni and former exchange students in February. Contact Andreas at andreask@umich.edu or 0049-171-3659892. At UMBS Alumni Relations, contact Kathie East at eastk@umich.edu or 734-763-5775.

SAN FRANCISCO

Chuck Hornbrook, MBA '98, president of the UMBS San Francisco Bay Area Club, reports the club joined the UMBS Hi-Tech & Telecom Club, the Office of Career Development and Assistant Dean Susan Ashford in welcoming Bay Area alumni to the West Coast Forum in November. The club also sponsored a half-day alumni career search seminar and continued its successful Alumni Supper Club program. A co-hosted Holiday Fundraiser drew more than 85 alumni, produced three barrels of donated food and raised \$725 for Toys for Tots and the Salvation Army. In January, nearly 50 alumni gathered at Gordon Biersch Brewery. Contact Chuck Hornbrook at clhornbrook@earthlink.net.

SPAIN

Several UMBS alumni joined Gwyneth Slocum-Bailey, associate director of admissions, at the MBA World Tour in Madrid. Helping to recruit new UMBS students were: **Emilio Viñas, MBA '98**; **Diana Kraft, MBA '98**; **Javier Navarro, MBA '99**; **Alejandro Barril, MBA '92**; **Juan José Pérez, MBA '99**; **Fernando Martín, MBA '92**; **Jeff Hassman, MBA '99**; **Pablo Galiana, MBA '00**; **Juan López-Cotarelo, MBA '00**; **Lorenzo Pons, MBA '93**; and **Miguel Morán**, former UMBS exchange student and **MBA '93, LBS**.

TWIN CITIES

The new executive team of the UMBS Twin Cities Alumni Club, led by president **Joel Schlachtenhaufen, MBA '97**, organized a club tour of the Minneapolis Institute of Art on March 7 and happy hour at the Vine Park Brewing Company in St. Paul on April 10. For information on coming events, visit www.bus.umich.edu/alumni/ or contact Joel Schlachtenhaufen at Schlachty@aol.com.

Alumni Relations

Creating a Lifetime UMBS Community

www.bus.umich.edu/alumni

UMBS Alumni Clubs & Contacts

For more information about alumni activities in your area, call or e-mail your regional contact or club leader.

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richard.lui@mvent.net

South Korea*

Sang-Wook Ahn, MBA '94
swahn67@korea.com

Taiwan

Chin-Feng Sun, MBA '95
886.939.263181
cfsun@ms13.hinet.net

Thailand

Vichien Kulvaraporn,
MBA '97
66.2.642.6060
vichien@ssup.co.th

Vietnam

My-Hao Nguyen, MBA '97
84.8.856.9197

Affinity Clubs

Black Alumni Association

(UMBS-BAA)*
Harry McElroy, MBA '78
213.614.8838
hmcelroy@performigence.com

Business W.O.M.A.N.

(Washington, DC)
Judy Spector, MBA '79
301.309.2529
globusinc@msn.com

Alumni Relations

Creating a *Lifetime UMBS Community*

www.bus.umich.edu/alumni

Alumni Services

The University of Michigan Business School boasts a powerful, international alumni network of more than 33,000. To help unite and strengthen this diverse and influential community, the Business School and Alumni Relations are pleased to offer the following services, programs, tools and products—all designed to help UMBS alumni communicate easily and network effectively with both the Business School and each other.

NETWORKING SERVICES & PROGRAMS

■ M-Track

Get connected to M-Track, the Business School's password-protected online Intranet community for students, faculty, staff, and alumni. Via M-Track, members can access the UMBS Alumni Directory, class and club Web sites, alumni Web boards, career listings and more.

To get an M-Track user ID and password, contact Alumni Relations with your name, your name while in school (if different) and your degree and year of graduation. M-Track requests will be answered within 24 hours.

■ Alumni Directory

Locate UMBS alumni in your city, country, company or class with this easy-to-use, searchable database in M-Track.

■ Class Web Sites

Find out what your classmates have been up to lately, or publish personal and professional updates of your own. To help develop your class Web site, contact Melanie Rossiter-McIntyre, Online Services Manager, at melrm@umich.edu.

■ Reunion Weekend & Annual Business Conference

Join your classmates and other Business School alumni in Ann Arbor for Reunion Weekend on October 25-27, 2002. Network with UMBS alumni, faculty and other business leaders at the Annual Business Conference on October 25.

■ Alumni Clubs Network

Get involved in the UMBS alumni community in your city or country. To join or establish a club in your area, contact Kathie East, Alumni Clubs Manager, at eastk@umich.edu.

COMMUNICATION TOOLS

■ Lifetime E-mail

Sign up for a free "@umich.edu" e-mail address! Stay in touch with classmates and other members of the Business School community, even during career changes and changes in Internet providers.

■ MichiganMail

Update your e-mail address in M-Track and receive Alumni Relations' twice-monthly e-newsletter, packed full of information about the Business School, the University and UMBS alumni.

ALUMNI MERCHANDISE

■ UMBS Marketplace

Visit our online source for distinctive gifts, clothing and business items, all bearing the logo of the University of Michigan Business School.

For more information about these and other services for UMBS alumni, visit the Alumni Relations Web site at www.bus.umich.edu/alumni.

UMBS Alumni Relations

Phone: 734.763.5775

Fax: 734.615.6103

E-mail: alumni@umich.edu

Ann LaCivita, Director
ADL@umich.edu

Kathie East, Assistant Director
UMBS Alumni Clubs &
Global Blue
eastk@umich.edu

Julie Antis, Program Coordinator
Reunion & Database
antisj@umich.edu

Melanie Rossiter-McIntyre,
Program Coordinator
Online Services &
UMBS Marketplace
melrm@umich.edu

Kathleen Stevens,
Program Coordinator
Annual Business Conference
stevenska@umich.edu



University
of Michigan
Business
School

1952

Hugh L. Cole, MBA '52

is president and CEO of Satco Inc. in Northfield, Ill. If there are alumni activities going on in the area, contact Hugh at satcoinc@ameritech.net.

1956

Jerome A. (Jerry) Mussman, MBA '56

is a retired exempt-organizations manager. "I am available as a volunteer exempt-organizations consultant to any worthy entities in the St. Petersburg, Fla., area," says Jerry, "and also look forward to hearing from my classmates." You can reach Jerry at 727-527-1345.

1959



Lynn R. Evans, BBA/MBA '59

is currently president of the Graduate M Club and also has been elected to the UM Alumni Association Board of Directors. He continues to serve on the boards of McLaren Hospital in Flint and Brighton Hospital. He also remains active as a consultant in the human resources field. You can reach him at LREGOBLUE@aol.com.

1961

Robert Costello, BBA '61, MBA '62

retired from Pharmacia & Upjohn Co. in 1999 as president, Pharma Commercial Services. He now is president of Alta Vista Consulting in Carpinteria, Calif. He and his wife, Elizabeth, have seven children and two grandchildren. To learn more, contact Bob at rvcostello@earthlink.net.

1962

Stephen M. Ross, BBA '62

is the founder of Related Housing Companies in Manhattan, which develop and manage premier properties. Since 1996, they have



developed more than \$5 billion worth of property and currently oversee more than 1,100 properties in 47 states. For more information, visit www.related.com.

1966

Christopher L. Boys, MHA '66

is now regional vice president for Navix Diagnostix in Taunton, Mass. You can reach him at clbcr@aol.com

1967

Daniel A. Redstone, MBA '67

was elected to the board of directors for the National Council of Architectural Registration. Daniel is president and CEO of Redstone Architects in Southfield, Mich., where he has been since 1967. He also is the current chair of the Michigan Board of Architects. *Daniel was incorrectly listed in the last issue of Dividend as David A. Redstone. We apologize for the error and any confusion it may have caused, especially to his brother, David.*

1968

Edward W. Smith, BBA '68, MBA '72

"After successfully selling my machine tool business in 1985, I've invested in commercial real estate, primarily neighborhood shopping centers," says Ed, who is the owner of Marbran Properties in Ohio. "Besides enjoying family life with my wife, Donna Rae, and two adult offspring, I sail and travel."

1969

Charles R. Heavenrich, MBA '69

"This year I will celebrate my 60th birthday by rowing my 60th raft trip through the Grand Canyon," says the amazing Charly. "The rest of the year I help individuals and organizations to live more productive, fulfilling and adventurous lives as an adventure speaker, photographer, author (*Dancing on the Edge*) and possibilities coach. I live in Boulder, Colo., am single, healthy and enjoying a fulfilling, adventurous life." You can reach Charly at cheavnrich@aol.com.

1970



John M. Nannes, BBA '70

has rejoined the law firm of Skadden, Arps, Slate, Meagher & Flom LLP after spending three and one-half years in the Antitrust Division of the U.S. Department of Justice. While at the division, John served first as deputy assistant attorney general and then as acting assistant attorney general in charge of the division during the first five months of the Bush Administration. John will practice antitrust law in the firm's Washington, DC, office.

1972

George Barrow (Barry) Boyd, MBA '72

"After nearly 30 years in marketing and general management with Sara Lee Corp., I've taken early retirement," says Barry. He plans to spend more time with his three boys (8, 10, 12), work on numerous *pro bono* projects and raise investment capital with a group of partners to make acquisitions in a segment of the apparel industry. To find out more about his second career, you can reach him at Barry7067@aol.com.

Louis J. Wilson, BBA '72, MBA '74

is marketing director for Eastern Michigan University in Ypsilanti. For information on EMU, or just to say hello, you can reach Louis at wilsons@greatlakes.net.

1975

A. E. "Gene" Stoffel, MBA '75

has merged his CPA practice and is devoting full time to investment sales through Edward Jones Investments in Houston. "Carolyn and I now have been married 39 years and have six wonderful grandchildren, ages 1 to 9," brags Gene.

Dinesh & Marianne Tandon, MBA '75 & MBA '76

are the owners/operators of Emdin International Corp. in Irwindale, Calif., which manufactures supplies for dental laboratories.

CLASS NOTES

1977



H. Michael Hayes, PhD '77

professor emeritus of marketing and strategic management, University of Colorado, Denver, has been elected governor for District 5450 of Rotary International. Starting July 1, Mike will be responsible for helping 50 clubs and 3,000 Rotarians in central Colorado participate in local and international community service projects. Congratulations can be sent to hmichaelhayes@attbi.com.

1978

Frederick F. Arand, MBA '78

is VP, financial services, for Ancilla Systems Inc. in Hobart, Ind. You can reach him at farand@ancilla.org.

1979

Doug Woikey, MBA '79

is now a staff accountant for Murphy Oil Corp. in El Dorado, Ark. You can reach Doug at dwoikey@yahoo.com.

1980

Beth (Bess Fox) Rakow, MBA '80

is with Philpott Bills & Stoll in Encino, Calif. To learn more, contact her at beth@pb-s.com.

Laurent A. Ruessmann, BBA '80

has left the premier Belgian law firm of Debandt, VanHecke, Lagae & Loesch to join the Washington, DC-based law firm of Hogan & Hartson LLP as a partner in the Brussels office. "I have been serving clients primarily in the area of international and E.C. trade and customs law," says Laurent. "My wife, Anne, a Belgian woman I met in Ann Arbor 17 years ago, and I are expecting our fifth child." Congratulations may be sent to laruessmann@hhlaw.com.

1981

Karen A. Vagts, MBA '81

is knowledge manager for ADD Inc., architects and designers, in Cambridge, Mass.

1982

John O. Young, BBA '82

is VP, external affairs, for Walsh College in Troy, Mich. He can be reached at jomy@aol.com.

1983

Andrew Milia, BBA '83

is president of Franklin Property Corp. in Farmington Hills, Mich. You can reach him at amfpc@aol.com.

1987

Steven R. Brant, MBA '87

is director of marketing for BP in Linthicum, Md. You can reach him at StevenRBrant@aol.com.

1989

Mark C. Dixon, BBA '89

was promoted to partner at Plante & Moran LLP in Southfield, Mich. Mark joined P&M in 1989 and has been working within the Family Wealth Advisor Group since 1990. He provides investment consulting and wealth preservation strategies to high net worth individuals. He lives in Novi with his wife, Kelly, and daughter, Anna.

1991

Martin T. Modrowski Jr., MBA '91

is controller of Owens Corning in Atlanta. He can be reached at marty.modrowski@owenscorning.com.

1992

Kevin Senecal, BBA/Macc '92

is president, and **Chuck Whiteman, MBA '97**, is vice president of Divers Direct, the largest retailer in brick-and-mortar stores as well as catalog and online for SCUBA specialty products in the U.S. Friends since childhood, they both pursued corporate careers after graduation and then ended up starting Divers Direct in Miami. You can reach them through their online Web site at www.diversdirect.com.

1993

Matthew DeWolf, BBA '93

reports that his wife, Joanna, and he had a son, Lincoln, born on April 17, 2001. Matthew is working as vice president of finance for the Michigan Bankers Association in Lansing. Congratulations can be sent to him at mdewolf@mibankers.com.

Craig Ward, MBA '93

is general manager of BHP Billiton Shared Business Services-South America in Santiago, Chile. You can reach him at craig.m.ward@bhpbilliton.com.

1994

Chris Paffi, BBA '94

moved from the Chicago area to acquire and manage the Redwood Inn in Lewiston, Mich., near the Garland Resort. For reservations, contact Chris at 989-786-2226.

1996

Bradford T. Adamczyk, MBA '96

is an analyst with Williamson McAree Inv. in New York City. He can be reached at bradadam@yahoo.com.

Jeffrey T. Harvey, MBA '96

is now a partner with TwentyTen LLC in Chicago. You can reach him at jtharvey@theramp.net.

Joseph Hyde, BBA '96

has worked at the Blackstone Group, an investment banking firm, and Alvarez & Morsal Inc., a turnaround management consulting firm, both based in New York. "In June 2000, I moved to Atlanta to become the VP, finance, for Global Payments Inc., a payment-processing company and recent spin-off from National Data Corporation," says Joe. You can reach him at joe.hyde@globalpay.com.

Jeff Skoglund, MBA '96

was named to Institutional Investor's First Team for the manufacturing/automotive supplies sector in the All-American Fixed Income Rankings. He produces a weekly research report, *Shifting Gears*, at Merrill Lynch and has been credited by clients for steering them clear of some of the sector's most troubled issues.

1997

Fernando Martin, MBA '97

is analysis director for Via Digital in Spain. He can be reached at fmartin@viadigital.net.

1998

Donna Gent, MBA '98

is president and CEO of Kinderstreet Corp., which provides applications for childcare and eldercare organizations. Kinderstreet's products run over the Internet and bring the provider, family members and state agencies together in a single platform, so they can easily and efficiently communicate and share information. The company recently received financing and is planning for a nationwide rollout. Donna lives in Ann Arbor and can be reached at dgent@kinderstreet.com.

1999

Brian J. Conom, MBA '99

started as the Michigan territory manager/trainer for Regent Medical, was promoted to national sales training manager in Atlanta and is now the southern regional sales manager, based in Texas. You can contact him at brian.conom@biogelusa.com.

Jim Kennedy, MBA '99

married **Shelly Cobb, MBA '01**, in June 2001.

Spencer Preis, BBA '99

is a law student at the Emory University School of Law in Atlanta. He can be reached at preis1@aol.com

2000

Paul Hofley, MBA '00

is a product manager with Covisint in Southfield, Mich. He now has a one-year-old daughter and can be contacted at paulph@msn.com.

2001

Larry Weyer, MBA '01

has joined with **Shelley Scipiona, MBA '01**, **Sophie Decker, MBA '01**, **Leigh Goldstein, MBA '01**, and **Scot Gensler, MBA '01**, to form the Wolverine Consulting Group, a San Francisco-based strategic business consultancy specializing in market opportunity assessment, customer acquisition strategies and ROI analysis. To learn more about their group, you can contact them at info@wolverineconsulting.com or phone 415-550-6767.

Share Your News... And Send a Photo!

Your classmates want to hear from you
and see you in the next issue of *Dividend*.

There are many ways to submit a Class Note:

- 1) Fill out the Alumni Network Update on the last page of this issue and send it—along with a picture, if possible—in the postage-paid, self-addressed envelope inserted in the magazine.
- 2) E-mail your submission to bspaldin@umich.edu.
- 3) Fax your submission to 734-647-2401.
- 4) Mail your news to *Dividend*, University of Michigan Business School, 701 Tappan Street, Suite D-2201, Ann Arbor, MI 48109-1234.

Thank You!

The University of Michigan Regents: David Brandon, Laurence B. Deitch, Daniel D. Horning, Olivia P. Maynard, Rebecca McGowan, Andrea Fischer Newman, S. Martin Taylor, Katherine White, Ex-Officio Member, B. Joseph White, Interim President, University of Michigan.

The University of Michigan, as an equal opportunity/affirmative action employer, complies with all applicable federal and state laws regarding nondiscrimination and affirmative action, including Title IX of the Education Amendments of 1972 and Section 504 of the Rehabilitation Act of 1973. The University of Michigan is committed to a policy of nondiscrimination and equal opportunity for all persons regardless of race, sex, color, religion, creed, national origin or ancestry, age, marital status, sexual orientation, disability or Vietnam-era veteran status in employment, educational programs and activities and admission. Inquiries or complaints may be addressed to the University's Director of Affirmative Action and Title IX / Section 504 Coordinator, 4005 Wolverine Tower, Ann Arbor, Michigan 48109-1281, 734-763-0235, TDD 734-647-1388. For other University of Michigan information call 734-764-1817.



David Dewey Alger MBA '68

president and CEO of Fred Alger Inc., operating on the 93rd floor of the World Trade Center's north tower, was killed during the September 11 terrorist attacks. He was the Business School's 1997 commencement speaker, and chaired and was an active member of the School's Visiting Committee. David was presented with the Business School's 2001 Alumni Achievement Award in recognition of his business success. The award recently has been renamed, in his honor, the David D. Alger Alumni Achievement Award. His service to the larger University community included membership on the Investment Advisory Committee. He was a frequent speaker to various student organizations and regularly attended football games. David Alger's Spectra fund delivered a total annualized return of nearly 26 percent during the 1990s, making it the most successful domestic equity fund of the decade and prompting *Smart Money* magazine to call him "the decade's top-performing diversified fund manager." He often appeared on CNN, FNN and CNBC to discuss Wall Street investments, and he shared his investment strategy in his 1991 book, *Raging Bull: How to Invest in the Growth Stocks of the '90s*. David joined his brother's firm, Fred Alger Management, and ultimately owned 20 percent of the firm. When he took over the firm's operations from his brother in 1995, it managed \$3 billion in assets and had 82 employees. At his death, it managed \$15 billion and had 220 employees. "David saw things that others didn't and produced spectacular results," said Don Phillips, managing director of Morningstar Inc., a Chicago firm that tracks the mutual-fund industry. David was born in 1943 in California and grew up in Grosse Pointe, Mich. He was an undergraduate history major at Harvard before coming to the University of Michigan. His father, Frederick, was a former ambassador to Belgium; and his grandfather, Russell A. Alger, was governor of Michigan in 1885-86. David is survived by his wife, Josephine; brother, Fred; sister, Suzette Howard; and daughters, Cristina de Marigny Alger and Roxanna Geffen.

Lucille Miller Butler BBA '49

went to work for her father, George Miller, who was at one time the largest home

Martin Elrod

builder in Michigan. She worked as a design executive until she married and had a family. Then she became an extremely active volunteer for the Children's Hospital of Michigan and her children's schools. She also served as an elder of the First Presbyterian Church of Birmingham and president of the church's Choir Guild. Lucille loved the outdoors and hunting, and organized annual trips for up to 40 people at the family's northern Michigan home at Hubbard Lake. She died in December of lung cancer at age 74. She is survived by her husband, John; sons, John Jr. and Keith; daughters, Susan Newman, Cindy Cooley and Julie Buckley; one sister and 11 grandchildren. Said her son John, "The values instilled in her children and grandchildren have their cornerstone in her lifetime commitment to family, church and friends." Memorial donations may be made to the Lucille Miller and John William Butler Scholarship for Personal Excellence at the University of Michigan Law School.

Wendy Desmond
MBA '85

died on November 13, 2001, in Exeter, New Hampshire. The cause of death was lung cancer, which had been diagnosed only five weeks earlier; she was not a smoker. Wendy was class president and gave the student commencement address at her graduation. She went to work for Data General in the Boston area in management development and then to Kendall Health Care where she became VP, human resources. When Kendall was purchased by Tyco, Wendy kept her position and then became VP, organizational development. She loved to sail, garden, ski, and spend time with friends, especially traveling. Wendy and classmates Sarah Freeman and Peggy Houston Hillers took to the road right after graduation to see Spain, France and the UK. Wendy also served on the board of directors of Seacoast Hospice in Exeter, NH. She is survived by her husband, Tom Kline, and her daughter, Abbie Desmond Kline. Memorials may be sent to Seacoast Hospice, Hampton Road, Exeter, NH 03833.

Matthew Ryan Schwarz-Smith
BBA '03

died in a car accident over the holiday break in Council Bluffs, Iowa. Icy road con-

ditions contributed to the accident. He is survived by his wife, Wendy, who also was in the accident. On April 26, 2002, the Student Government Association dedicated the Business School's new student lounge in memory of Mr. Schwarz-Smith. The plaque reads: "We commemorate this lounge with the same enthusiasm and energy that Matthew brought to the classroom."

John C. Skaggs
MBA '50

of Tucson, Ariz., passed away on August 28, 2001. He was preceded in death by his wife, Jean, on December 8, 2000. John served in the Navy during WW II, received his BA from Yale University in 1948 and his MBA in 1950. After graduation he worked for Ford Motor Company in Detroit, and spent his entire career in the human resource management field. He worked for Mobil Oil for 16 years in Kansas City, New York City and Los Angeles; and retired from Lockheed Corp. in California in 1993. John spent his retirement years traveling the world with his wife of 45 years. He enjoyed golf and volunteer work, and compiled books of pictures, documents and stories of his entire life. John is survived by his four children, Peter Skaggs, Cathy Brown, Sharon Skaggs and Carolyn Ryden, his sister, Ruth Forman, and eight grandchildren.

Scott Weingard
BBA '93

who died in the September 11 terrorist attacks, was born on September 23, 1971, in Dix Hills, NY. In high school he had many interests, including basketball, tennis and computers. Scott chose the University of Michigan because he was a fan of Michigan athletics and his friends were interested in the school. As his brother Mark said, "He was smart enough to get in, and it's a good school." He was a member of the Sigma Alpha Mu fraternity. After receiving his BBA, he headed to New York City where he joined Hypnotic Hats, a company his brother Robert and friends had created to make baseball caps. He quickly became operations manager for the firm. He left there about a year ago for his job at Cantor Fitzgerald, where he became enthusiastically involved in equities trading. Scott returned each year to Ann Arbor for football games, enjoyed two Rose Bowls and kept

up many friendships from his UM days. He is survived by his mother, Bonnie; brothers, Mark and Robert; and girlfriend, Julie Kaufmann, whom Scott introduced to his family just two weeks before his death. Memorial gifts may be made to a scholarship fund created in memory of Scott and two other graduates, Greg Richards and Larry Polatsch, who also died on September 11. Donations may be sent to: The Greg Richards, Larry Polatsch, Scott Weingard Memorial Fund, 253 5th Avenue, 2nd Floor, New York, NY 10016.

Meredith L. Whalen,
BBA '00

a research associate for Fred Alger Management Inc., was working in the World Trade Center at the time of the September 11 attacks. A native of Canton Township, Mich., she graduated in 1996 from Plymouth High School where she had been a member of the National Honor Society, the debate Executive Forum and the student council. She received her BBA with high distinction. Her employer, David Alger, before he died on September 11, had described her as a "rising star who rarely left work at five." The family has endowed the Meredith L. Whalen Memorial Scholarship at the Business School, which is designated for women students. She is survived by her mother, Patricia; sisters, Deborah and Kathleen; brother, Stephen, and his wife, Michelle, and two nieces. A memorial bench and plaque honoring Meredith will be placed in Canton, where her father was a trustee. Donations may be given to the Canton Foundation Scholarship Fund at: Meredith L. Whalen Memorial Fund, 6863 Bostonhill Lane, Canton, MI 48187.

Marc Scott Zeplin
MBA '93

was a vice president of Cantor Fitzgerald, working on the 104th floor of the south tower of the World Trade Center at the time of the terrorist attacks on September 11. Marc is survived by his wife, Debra; sons, Ryan, 3, and Ethan, 1; sister, Joslin; and parents, Leonard and Leona Zeplin. The family requests donations in Marc's memory be made to the Alliance-College Fund (donate separately for Ryan and Ethan) and sent to Debra Zeplin, 14 Shelley Lane, West Harrison, NY 10604.

Alumni!

Get connected to the UMBS Lifetime Community!



It's easy to do and you can enjoy these great benefits:

- * **MichiganMail**
Alumni Relations' information-packed, twice-monthly e-newsletter.
- * **UMBS Alumni Directory**
Reconnect with classmates...
Network with alumni in your industry...
The possibilities are endless!
- * **Lifetime E-mail Forwarding**
Stay in touch with classmates and the UMBS community through career changes and changes in Internet providers.
- * **UMBS Alumni Club E-mail Lists**
Join in! Find out what's happening with the alumni club in your area, or receive information about your area of interest!

All this can be yours for the low price of sending Alumni Relations your e-mail address!
It's that simple!

Send your e-mail address to:
alumni@umich.edu and you'll...



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www.bus.umich.edu/alumni

Alumni Network Update



Connect with your classmates and ensure you receive all Business School correspondence, including our e-newsletter *MichiganMail*. Keep your contact information up to date with Alumni Relations.

Alumni Relations
University of Michigan Business School
701 Tappan St., Ann Arbor, MI 48109-1234
Phone: (734) 763-5775 Fax: (734) 615-6103
E-mail: alumni@umich.edu

Please Print Legibly

Name: _____

Name while at School: _____

Degree(s) & Year(s): _____

BUSINESS INFORMATION

Title: _____

Company: _____

Address: _____

City, State, Zip _____

Phone: _____

Fax: _____

HOME INFORMATION

Address: _____

City, State, Zip _____

Phone: _____

Fax: _____

Web Page: _____

Preferred E-mail: _____

I consent to posting the following information in the Alumni Directory and on my class Web site, if one exists (both are located in M-Track, the password-protected portion of the Business School Web site).

_____ E-mail and Web page

_____ Business contact information

_____ Home contact information

Now you can easily update your contact information online!
Go to the Alumni home page in M-Track at <http://mtrack.bus.umich.edu/alumni>
and click on "Update Your Personal Information."

You will need your login name and password to access the site—
if you need a login name and password, please contact the Alumni Relations office at alumni@umich.edu.

NETWORKING CODES

To get connected with alumni and students, you must identify your networking codes. Select one function and one industry code.

FUNCTION

- Accounting
- Buying/Purchasing
- Computer/Management Info. Systems
- Consulting-General
- Consulting-Info. Technology/System
- Consulting-Internal
- Consulting-Operations/Process
- Consulting-Strategy
- E-Commerce
- Engineering Management
- Entrepreneur
- Finance-Commercial Banking
- Finance-Corporate
- Finance-General
- Finance-Investment Banking

- Finance-Investment Mgmt.
- Finance-Sales/Trading
- Finance-Venture Capital
- General Management
- Human Resource Mgmt.
- International Business
- Legal Counsel
- Marketing-Advertising
- Marketing-General
- Marketing-Product Mgmt.
- Marketing-Research
- Marketing-Sales/Retail
- Marketing-Services
- Marketing-Technical
- Operations Management
- Other
- Real Estate
- Strategic Planning

INDUSTRY

- Manufacturing**
- Aerospace
- Agribusiness
- Auto./Trans. Equipment
- Chemicals
- Computer/Electronics
- Construction
- Consumer Goods
- Diversified Manufacturing
- Engineering Design
- Energy/Petroleum/Minerals
- Healthcare Products
- Machinery & Equipment
- Metals/Metal Products
- Paper/Wood/Glass
- Pharmaceutical/Biotechnology
- Rubber/Plastics
- Textiles

Services

- Advertising
- Business Services
- Computer/Internet & Software Services
- Consulting/Research
- Education
- Entertainment/Leisure
- Environmental
- Finance-Commercial Banking
- Finance-Insurance
- Finance-Investments
- Finance-Services
- Finance-Venture Capital
- Government-Federal
- Government-International
- Government-State/Local
- Healthcare

- Hotel & Restaurant Mgmt.
- Import/Export
- Law
- Media/Entertainment
- Non-Profit
- Other
- Printing/Publishing
- Public Accounting
- Real Estate
- Retail
- Search Firms
- Self-Employed
- Sports Marketing/Management
- Telecommunications
- Transportation
- Travel/Leisure
- Utilities
- Wholesale/Distribution

Please take a moment to respond to the information on the following page.

Alumni Network Update

Name: _____

Get Involved!

- I would like to help plan my next reunion.
- My company may be willing to sponsor a reception/event for alumni or prospective students.
- I am willing to counsel the following groups regarding the Business School experience and/or career opportunities (please check all that apply). I understand that my e-mail, home and business contact information may be released for this purpose.
 - Prospective students
 - Current students
 - Alumni
- I am willing to act as an advisor for students or alumni involved in projects and seeking career advice about entrepreneurship. I understand I may be listed as an advisor in M-Track and that my e-mail, home and business contact information may be released for this purpose.
- I have enclosed my Annual Fund gift.

Join a UMBS E-mail List:

- I would like to be added to the following e-mail list(s):
- UMBS Black Alumni Association
 - Entrepreneurship
(Administered by the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies)
 - Finance/Venture Capital
(Administered by the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies)
 - Tauber Manufacturing Institute
 - William Davidson Institute
(including WDI Summer Interns, Africa Corps (ABDC) Summer Interns, IMAP Students, Europe Project Course, and Global Project Course Students)

Class Notes

Share your news. . . and send a photo!

Your classmates want to hear from you and see you in the next issue of *Dividend*.

By providing my information, I consent to publication of my Class Notes, photos and e-mail address in *Dividend* magazine and on my password-protected class Web site, if one exists.





University
of Michigan
Business
School

Executive Education Center

General Management Programs Scheduled for 2002

Basic Management

April 15-17, 2002

May 20-22, 2002

Management II:

A Leadership Development Program

April 8-12, 2002

May 6-10, 2002

Management of Managers

May 13-17, 2002

June 10-14, 2002

July 15-19, 2002

Leading Change

September 23-27, 2002

November 10-14, 2002

Results-Based Leadership

August 13-15, 2002

November 13-15, 2002

Management Development Program

June 9-21, 2002

October 27-November 8, 2002

Negotiation Skills and Strategies

May 13-17, 2002

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In recent months, luminaries from business, politics and academia visited the University of Michigan Business School and spoke about topics ranging from motherhood and practical intelligence to human rights and U.S. foreign policy. Learn what these visitors had to say in *Across the Board*, beginning on page 3.
