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- Alumni-student event
- Keynote presentation

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Spring 2003

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Cover photograph by Steve Kuzma shows Professor Tyler Shumway (center) with Irene Sebastian, MBA '03, and Dave Webb, MBA '03, in the John R. and Georgene M. Tozzi Electronic Business and Finance Center.

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ACROSS THE BOARD

Digital Domain

New Web Site Fast, Friendly and Up-to-Date

Alumni, current and prospective students, and others visiting the University of Michigan Business School's new Web site will find a fast, friendly and seamless entry into the school's digital domain, says Michael D. Gordon, associate dean for information technology.

Log in to the new site and visit iMPact, the school's new intranet, which is fully integrated into the main Business School Web site. iMPact replaces M-Track, the old intranet, which stood apart from the school's public Web site.

Redesigning the Web site—only the third in the school's history—has been a huge project involving all units in the Business School. By focusing on the tasks people perform most often and recruiting more than 150 users representing the school's constituencies to test the final site and many iterations of a prototype, Gordon explains, "We have tried to produce a great, usable site."

Previously, the school had two Web sites, one for the public and the other for internal audiences, including students, faculty and staff. The way tasks were performed varied, depending on the site one entered. It was confusing.

With the new design, everyone enters one site, www.bus.umich.edu. Once inside, access to certain portions of the site varies, depending whether the user is a student or prospective student, alumnus, faculty or staff member, recruiter, a member of the media or part of the general public.

The Web site's information architecture was designed based on interviews with users and rigorous usability testing, a specialty of Diamond Bullet Design, the Ann Arbor firm that worked with the school on the redesign.

"We really wanted to exceed by a wide margin the success people would have performing various tasks when compared with our old site and with sites of peer institutions such as the Wharton School of the University of Pennsylvania and the Kellogg School of Management at Northwestern University," Gordon says. The new Web site exceeded our goals in three key areas:

- Task completion rate (the percentage of people successfully completing a specific

task, such as locating contact information for a faculty member or finding application deadlines). Based on results of testers, the Web site has an 85 percent completion rate compared with 61 percent for M-Track and less than 75 percent for the Wharton and Kellogg sites.

- The time it takes to complete a task, such as finding information on how to apply for financial aid. The old site worked well at 72 seconds, Gordon says. The time has been reduced on the new site to 43 seconds, compared with more than 100 seconds for Wharton and Kellogg.
- People's rating of ease of use to complete a task, independent of successful completion or time it took, on a scale of one to seven with one being best. In terms of ease of use, the old Business School Web site, at 3.6, was comparable to Wharton's and Kellogg's scores of 3.5 and 3.6, respectively. The new Web site bests all three with a score of 2.4.

While improving performance, designers also upgraded the Web site's appearance to give it a consistent look and to make it cleaner and more prestigious looking. Again on a scale of one to seven, with one being the best, testers gave the new site a 2.7 compared with 4.2 for the old Business School site and 3.2 and 3.4 for Wharton and Kellogg, respectively.

"When people come to the Business School's Web front door, we want them to get a sense of the school's intellectual vibrancy, the cutting-edge research being done by our faculty and students, and the many diverse activities going on here on any given day," Gordon says.

To maintain the site's freshness, academic departments and units such as Admissions, the Office of Career Development, Communications and the Executive Education Center are using a program, called a content management tool, which is designed to simplify updating pages that change frequently. A new Google search engine makes it easier to find Business School information online.

"For alumni and others, the new site features what's going on at the school with much more transparency," Gordon says.



The Business School and Affiliated Computer Systems were featured at the New York Stock Exchange's Closing Bell Ceremony on November 22.

The ceremony, televised on CNBC, followed the conclusion of the Business School Corporate Advisory Board's semi-annual meeting, hosted by **Jeff Rich, BBA '82**, president and CEO of Affiliated Computer Systems of Dallas.

Participating in the ceremony were (left to right): Dick Grasso, chairman and CEO of the New York Stock Exchange; Kathleen Splaine Dolan; Dean Robert J. Dolan; Jeff Rich and his wife Jan Rich; Kathy Weaver; **Paul Weaver, MBA '72**, chairman, global technology industry for PricewaterhouseCoopers; and Catherine Kinney, co-president and COO of the New York Stock Exchange.

ACROSS THE BOARD

Alumni Kudos

Awards Recognize Achievements, Entrepreneurial Success, Service

Four University of Michigan Business School alumni—Roslyn Braeman Payne, Allan D. Gilmour, Ralph E. Johnson and Rick Snyder—have been or will be honored in 2003 for outstanding service, professional achievements and entrepreneurial success.

■ **Roslyn Braeman Payne, BBA '68**, of San Francisco, received the Bert F. Wertman Alumni Service Award at the Business School Scholarship Dinner March 13 at the Michigan League. The award was established in 1989 in honor of **Bert F. Wertman, BBA '28**, who served as president of his class for more than 60 years. It recognizes alumni for outstanding service to the Business School or University.

Payne founded Jackson Street Partners Ltd. of San Francisco, a real estate venture capital company where she serves as the principal. She also owns Dover Corporation, which provides equity capital for residential developers, and is a director of the First American Corporation and member of the California Transportation Commission's Airspace Advisory Committee.

Actively involved in the school as a strategist, leader, fundraiser, donor, counselor and mentor, Payne is chair of the Women's Leadership Council, a group she has led since its creation in 2000 and a key component of the school's Women in Business Initiative. She also has served for a number of years on the school's Visiting Committee. The Visiting Committee is composed of active corporate leaders in business who meet twice a year to assist the dean in the direction and development of the school; advise the faculty on plans, programs and research activities; and counsel the faculty and administration on ways to anticipate and respond to the changing needs of management in a variety of institutions.

■ **Allan D. Gilmour, MBA '59**, of Birmingham, Michigan, is receiving the David D. Alger Alumni Achievement Award at Spring Commencement April 25. Established in 1989, this award was renamed in

honor of **David Alger, MBA '68**, president and CEO of Fred Alger Inc., who was killed on September 11, 2001. It recognizes an alumnus whose attainments in his or her professional field have brought distinction to the individual and credit to the Business School and benefit to others.

Gilmour is vice chairman and CFO of Ford Motor Company. He joined Ford as a



Roslyn Braeman Payne



Allan D. Gilmour



Ralph E. Johnson



Rick Snyder

financial analyst in 1960 and later served as president of Ford Motor Credit Company, and vice president and controller of Ford Motor Company. In 1986, Gilmour was named executive vice president and chief financial officer, and became a member of the board of directors. He was appointed executive vice president of International Automotive Operations in 1987, president of the Ford Automotive Group in 1990 and became vice chairman of Ford Motor Company in 1993. He retired in 1995, but returned in 2002 as vice chairman and CFO.

Gilmour chaired the school's Visiting Committee for several years and established an endowed fellowship for doctoral students. He formerly chaired the Henry Ford Health System board and is a member of the boards of directors of DTE Energy, Prudential Financial and Whirlpool Corporation, as well as several nonprofit organizations.

■ **Ralph E. Johnson, MBA '92**, of Cleveland, director of professional development and administration for the North American Operations Strategy and Effectiveness Practice at McKinsey & Company and former chair of the Alumni Society Board of Governors, received the Charles H. Ihling Memorial Service Award for extraordinary service to the Board of Governors at the Business School's annual Scholarship Dinner in

March. The award was established in memory of **Charles Ihling, MBA '79**, an inaugural member of the Alumni Society Board of Governors who died in 1991.

An inspiring and energetic leader, Johnson was elected vice chair of the Board of Governors in 1997. He chaired the board's Membership Committee and served as an adviser to the board chair. Johnson helped lead efforts to create an endowed scholarship in the board's name for the school's 75th anniversary and served as board chair in 2000–2002. He is chair of the board's Student Experience Committee and of

alumni outreach for the Business School's Black Alumni Association.

Johnson, who was president of the Business School Student Government Association, worked as a supervisor at General Motors Corporation for 10 years before joining McKinsey & Company the first time in 1992. In 1997, he left McKinsey to serve as general manager of the Cuyahoga County's welfare-to-work program, returning to the consulting firm in 2000.

■ **Rick Snyder, MBA '79**, founder and CEO of Ardesta LLC, will be presented the Entrepreneur Award September 12 at Entrepalooza. The Entrepreneur Award recognizes the accomplishments of alumni who start and build successful enterprises.

Located in Ann Arbor, Ardesta is the leader in bringing small tech products to the global marketplace. The company invests in startups and early-stage companies, provides business and technical resources to support these companies, and develops industry-building resources such as publications and Web sites. Snyder founded Avalon Investments Inc., a venture capital company targeted at investments in technology-oriented ventures, in 1997. From 1991 to 1997, he served as executive vice president and then president of Gateway Inc., where he oversaw all aspects of company operations.

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Snyder has held leadership positions in the United Way, March of Dimes and various Chamber of Commerce organizations. He serves on the boards of the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies, the University of Michigan Technology Transfer National Advisory Committee and the College of Engineering National Advisory Committee, as well as on the boards of Gateway Inc. and a number of privately held companies. Snyder is a member of the Michigan Bar Association.

To nominate individuals for the Alumni Society Board of Governors' 2004 awards, use the form on the Alumni Relations Web site, www.bus.umich.edu/AlumniCommunity; 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. Please include reasons for the nomination, as well as your name, e-mail address and telephone number. The deadline is June 16.

Asian Business Conference

De Ocampo: China, An Awakening Giant

The Asian economy is showing signs of resurgence; and China is an "awakening giant" destined to have enormous global economic impact, Roberto F. De Ocampo said in his keynote address at the 13th annual Asian Business Conference at the University of Michigan Business School in February.

De Ocampo, MBA '70, is president of the Asian Institute of Management in the Philippines. He served as the Philippine secretary of finance from 1992 to 1998, and was widely acknowledged to be the principal architect of the country's economic turnaround.

Following years of unprecedented economic expansion—dubbed the "Asian miracle"—the region's economic growth flagged in 1996, De Ocampo said. The causes, he explained, were many: a credit system built upon cronyism rather than sound professional analysis, widening deficits, overcapacity in some industrial sectors, excessive short-term debt, and failures in corporate governance and regulatory oversight. The financial and real estate sectors imploded in mid-1997, triggering a full-blown economic crisis.

"The future of the 'Asian miracle' was in question," De Ocampo said. "The flipside was now playing." In many countries, growth rates declined in 1998, then began recovering the following year. Keys to restoring economic vitality, De Ocampo said, are sustained foreign investment, a shift to open multilateral trade, and banking and corporate reporting reforms. "Judicious regulation is important, to my mind...getting government out of the business of doing business," he said. "Can Asia recover what has been lost? I am hopeful."

If it does, China will play a major role. The "awakening giant," as De Ocampo called it, now commands 40 percent of the foreign investment in Asia and is the world's fourth-largest industrial producer

advantages rather than competing with China head on, De Ocampo said. Singapore is attracting science and biotech investment, for example, and India is leveraging its large English-speaking, highly educated population to become a leader in information technology support services.



Roberto F. De Ocampo

*The "awakening giant" ...
now commands 40 percent of the foreign
investment in Asia and is the world's
fourth-largest industrial producer after
the United States, Japan and Germany.*

after the United States, Japan and Germany. China produces 50 percent of the world's cameras, 30 percent of the TVs and air conditioners, and 25 percent of the washing machines. "And they're just getting started," he said. "China is going to be the juggernaut that will lead to future growth...It is a force to be reckoned with."

What does that mean for the Asian nations in the giant's shadow? "(They) are looking at China as an economic engine that will pull Asian countries and their neighbors through the next century," De Ocampo said. "It's time to recognize a new world economic order."

Smaller Asian countries must find niche markets in which they have competitive

"It is no longer enough to just work hard. Asian countries must work creatively," he said. "I believe Asia will rediscover growth, if it has not already started back on its growth path.... This could be 'The Asian Century.'"

The Asian Business Conference, one of the largest student-organized events on the Business School calendar, brings together government, business and academic leaders to explore opportunities for doing business in Asia. The theme of this year's conference was "Managing Challenges and Rediscovering Growth."

Dave Wilkins

**Sixth Annual
Entrepreneurship
Symposium**

**Alumnus Michael
Jandernoa
Brings Energy,
Insights to
Entrepalooza**

You need a talented management team with audacious goals to grow a company using the leveraged buyout method, Business School Alumni Entrepreneur of the Year **Michael J. Jandernoa, BBA '72**, told the more than 450 students, faculty and guests attending the symposium "Entrepalooza 2002: The Foundation of Future Business."



Dean Robert J. Dolan (left), who presented the Alumni Entrepreneur of the Year Award to **Michael J. Jandernoa, BBA '72**, described him as a "great friend of the Business School." Jandernoa and his wife endowed the Michael and Susan Jandernoa Professor of Business Administration, held by Susan Ashford. He also serves on the school's Visiting Committee.

Jandernoa, chairman of Perrigo Company, a West Michigan pharmaceutical firm, said although business leaders and the public usually think of start-up companies

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when they talk about entrepreneurship, Perrigo's history illustrates the challenges and rewards involved in leveraged buyouts.

Founded in 1887 in Allegan, Michigan, Perrigo was a small, family owned business with total sales of \$24 million over its first 90 years. Employees bought the company in 1980, and the company went public in 1991. Today, Perrigo is a leading provider of store-brand, over-the-counter drug and nutritional products, with \$825 million in annual sales.

"We never could have achieved such significant growth without the active support of employees throughout the company," Jandernoa said. "They knew we needed to change. There was a sense of urgency. When they know you're committed to helping them get better, the majority will respond."

Perrigo employees are among the most productive and highest paid in our industry, Jandernoa said. They also benefit from extensive cross training, profit sharing, bonuses and a commitment to creating a safe work environment. Employees received 50 percent of funds generated from productivity gains through Perrigo's Improshare program. The company's attitude toward change encourages employees to try new things. "We're guaranteed to have some failures. We try to catch the failures early to keep the expense or loss small," he said.

Relationships built on trust with key major retailers—Wal-Mart, Kmart, Target and Meijer in mass market retailing; CVS Pharmacy, Walgreens, Eckerd and Rite Aid in drugs; and Kroger, Safeway, Albertsons and Publix in food—have been the backbone of Perrigo's success, explained the upbeat and energetic CEO.

All employees receive Perrigo's financial statement at quarterly company meetings and did so even when it was a private company. They are encouraged to ask questions. "Some employees who work on the floor ask better questions than some analysts," Jandernoa said. If the company is not making its goals, there is built-in accountability throughout the organization. Perrigo workers also are encouraged to share human interest and success stories in the company paper, the *Water Street Journal*.

Even with an outstanding management team and employees and a clear vision, growing a company through leveraged buyout is not always clear sailing. Between when Perrigo employees bought the com-

pany from its original owners and Perrigo went public, the roof collapsed in 1979, the company had to change 15,000 packages following Tylenol poisonings in 1981, interest rates rose to 22 percent in 1982, Perrigo's largest customer Revco declared bankruptcy in 1988 and the pharmaceutical company's plant exploded in 1990.

"When you're leveraged, you have to be more careful and more strategic," Jandernoa said.



Ravi Mohan, MBA '96, a general partner with Battery Ventures, shared his views of the venture capital industry at Entrepalooza. Noting that the number of venture capital firms increased from 87 in 1980 to 693 in 2000, Mohan predicted a shakeout in the industry, with as many as 50 percent of venture capital firms going out of business. Still, Mohan said, "There is plenty of money to be made by entrepreneurs and venture capitalists."

Jandernoa was one of more than 20 alumni, faculty members and business leaders who shared their expertise at the Business School's sixth annual entrepreneurship symposium. Concurrent panels focused on such topics as "Entrepreneurship in Emerging Economies," "Franchising," "Growing Your Business," "Young Entrepreneurs," "Angel and Seed Stage Investors" and "Late-Stage Private Equity."

Entrepalooza is sponsored by the Entrepreneur and Venture Capital Club and the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies. Entrepalooza 2003 will be held September 12 at Assembly Hall. For more information, visit the institute's Web site at <http://www.zli.bus.umich.edu/>.

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A New Challenge

White Heads Fred Alger Management

B. Joseph White, the Wilbur K. Pierpont Collegiate Professor of Business Administration at the Business School, has taken a leave from the University to become the managing director of Fred Alger Management Inc., a New York investment firm. White assumed overall responsibility for the Alger company on February 1.

White, who served as dean of the Business School from 1991 to 2001 and as interim president of the University in 2002, said, "I am honored by Fred Alger's trust in inviting me into a senior leadership role in the firm he founded and, with his late brother David, built successfully over the last 40 years. Fred and David both earned degrees from the University of Michigan Business School. I look forward to this new challenge and helping a great firm continue to grow and develop."

Fred Alger said that as the firm continues to expand, it is important to add senior management talent, like White, to its ranks. "In addition to being a trustee of the Alger mutual funds since 1999, Joe has a stellar background in both business and academia," Alger said. "I can think of no one better to join our firm in helping Alger reach even greater levels of excellence in all aspects of our business."

For much of the past decade, the firm was headed by David Alger, a member of the Business School's Visiting Committee. He died, along with 33 other Alger employees, during the September 11 terrorist attacks on the World Trade Center. The firm's investment offices were located on the 93rd floor of one of the World Trade Center towers.

Because of the work he did for Alger mutual funds and shareholders after September 11, White was named one of the mutual fund industry's two trustees of the year in 2002.

When he accepted the interim presidency, White dedicated his term of service to the memories, families and friends of Michigan alumni who were killed in the World Trade Center and the Pentagon. In July 2002, White announced a scholarship program for undergraduate tuition at Michigan for the children of the 18 U-M alumni

who died in the terrorist attacks. Their families include 11 children.

Dean Robert J. Dolan said that while he is sorry to see White leave the University, he believes Alger has found the perfect person to lead the firm. "The very characteristics that made Joe such an outstanding leader here at Michigan—his intellect, integrity, compassion and record of accomplishment—will serve him tremendously well in his new position," Dolan said. "We have gained enormously from having him as our colleague and look forward to his continued success and friendship."

White joined the faculty at the Business School in 1975, after earning his doctorate in business administration from the University that same year. He left Michigan to become an officer of Cummins Engine Co. in 1981, but rejoined the Business School in 1987 as associate dean. From 1992 to 2001, he also was president of the William Davidson Institute.



Martin Hoot

B. Joseph White

White, who has an MBA from Harvard University and a bachelor's degree from Georgetown University, serves on the boards of Equity Residential, Gordon Food Service, Kelly Services and Kaydon Corp.

McInally Lecture

White's Rx for Restoring Trust in Business

Poor leadership, poor stewardship of American firms and "intolerably bad behavior by people in positions of trust" have all contributed to the crisis of confidence that has shaken Americans' faith in business, asserts B. Joseph White.

White, former dean of the Business School, talked about the downfall of iconic firms like Enron and Arthur Andersen and offered suggestions to restore confidence in business leadership at the 36th annual William K. McInally Memorial Lecture October 23.

White recalled the courage of **Harvey Kapnick, MBA '48**, Arthur Andersen's chief executive officer in the 1970s, who died last August. Kapnick proposed spinning off Andersen's consulting business in 1979 because of concerns about the impact of consulting on auditing independence. When his partners rejected the idea, Kapnick stepped down as CEO. "I think it is not far-fetched to say that had Harvey Kapnick's proposal prevailed, Andersen would still be a thriving firm today," White said.

Financial conflicts of interest have contributed significantly to the current crisis, he said, adding that a number of executives, board members, bankers, auditors, regulators and legislators were "greedy, fraudulent, negligent, naive and self-dealing."

What will it take to restore trust in business and its leaders? White offered the following:

- Strong economic growth, better corporate earnings and an improved stock market
- Punishment of wrongdoers, "especially the big fish and the egregiously rapacious"
- Financial reporting that is accurate, consistent and trustworthy
- Elimination of conflicts of interest in the banking and financial services industry
- A strong, effective Securities and Exchange Commission
- Corporate governance that works *for* shareholders and *with* management
- A change in values and focus of corporate leaders

White called on members of the University community to serve as constructive critics of society, a role, he noted, that former President Harold Shapiro identified 20 years ago as one of the University's highest callings.

Being a constructive critic of society "calls on us to identify faults and failings in our society, threats to our well-being broadly construed, to call attention to these problems, and to help make things better through our teaching, research and service," White said.

8th Mitsui Life Symposium

Investors Value Firms That Disclose More

Profitable firms practice high-quality corporate governance and disclose more even when regulation does not force them to do so. Moreover, investors value them more for having better quality governance systems. E. Han Kim, director of the Business School's Mitsui Life Financial Research Center, told more than 120 Japanese scholars and business executives who attended the 8th Mitsui Life Symposium on Global Financial Markets at the University of Tokyo.

Kim, the Fred M. Taylor Professor of Finance and International Business, and Takaaki Wakasugi of the University of Tokyo co-chaired the October symposium "Corporate Governance in Asia." The symposium was held in conjunction with the Japan Finance Association annual meeting and featured presentations and a panel discussion by scholars from China, Japan, Korea, Hong Kong and the United States.

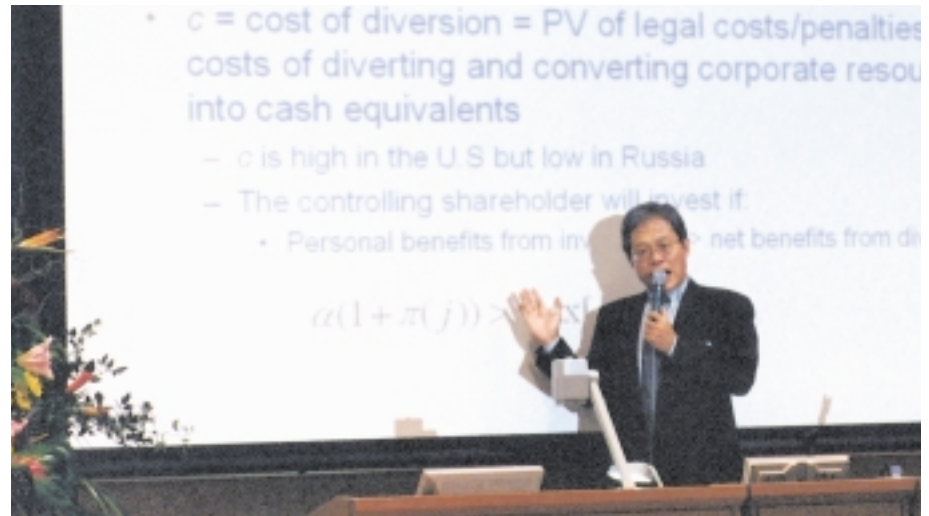
Kim, an expert on corporate capital structure and financing decisions, as well as mergers and corporate restructuring, pre-

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sented research showing that firms in emerging economies exhibit wide variation in their governance and disclosure practices. Firms with good investment opportunities and need for external financing practice better governance, disclose more and are rewarded with higher valuation in the stock market. Interestingly, these relations are stronger in countries that are less investor-friendly, demonstrating that firms adapt to

poor legal environments to achieve efficient contractual arrangements.

"Strengthening regulation may help invigorate emerging economies with malfunctioning legal systems, murky laws and weak enforcement for investor protection. But reforming legal systems takes time," Kim noted. "A more pragmatic, intermediate approach would be to provide economic incentives to firms to improve their corporate governance. A pro-growth economic policy that promotes an environment conducive to generating profitable investment opportunities and to issuing new securities will pro-



E. Han Kim speaking at the University of Tokyo

Finance Group

Mitsui Center Hosts 1st Distinguished Visiting Professor-in-Residence

The Business School welcomed Luigi Zingales, the Robert C. McCormack Professor of Entrepreneurship and Finance at the Graduate School of Business at the University of Chicago, as the Mitsui Life Financial Research Center's first Distinguished Visiting Professor-in-Residence at the University of Michigan Winter Term 2003. Zingales taught the doctoral seminar in March and April.

Zingales, a member of the University of Chicago faculty since 1992, is a faculty research fellow of the National Bureau of Economic Research, a research fellow of the Center for Economic Policy Research and a fellow of the European Corporate Governance Institute. In addition to receiving several research awards and grants, Zingales has published extensively in major economics and financial journals. He, along with University of Chicago faculty colleague Rajan G. Raghuram, authored *Saving Capitalism from the Capitalists*.

E. Han Kim, director of the Mitsui Life Financial Research Center and East Asia Management Development Center, said, "Professor Zingales has done path-breaking work regarding theory of the firm, causes and effects of financial development, and corporate governance. His teaching in the doctoral seminar greatly improved the quality of education for our students. Faculty members also benefited from interacting with him. Professor Zingales is a young rising star who already is making significant contributions to the field. His residency has helped increase the Business School Finance Group's visibility in our profession."

vide the necessary incentives for firms to change," he added.

In another presentation, Larry Lang of the Chinese University of Hong Kong argued that whereas debt constrains the expropriation of dispersed shareholders in U.S. corporations, debt can facilitate the expropriation of minority shareholders by the controlling shareholder in European and Asian corporations.

Guojun Wu, assistant professor of finance at the Business School, served as a discussant for the session "Ownership Structure and Corporate Governance in China." Wu explained that in China there are three types of shares that are identical in claims and voting rights, but different in transfer method: stock market trading, auction and private transfer. Moreover, the three classes of investors are informed at three different levels. Individual investors are the least informed, but they pay the most for shares.

For a complete program of the symposium and the papers presented, visit the Mitsui Life Financial Research Center Web site at <http://www.bus.umich.edu/FacultyResearch/ResearchCenters/Centers/Mitsui/symposium.html>.

Executive-in-Residence

Jones Will Promote Ties with Alumni

Thomas C. Jones, BBA '68 and MBA '71, and a member of the Business School's Alumni Society Board of Governors, is the school's new executive-in-residence. Prior to retiring in 2002, Jones served as president of CIGNA's Retirement & Investment Services division, one of the nation's leading asset management and retirement services firms.

In announcing the appointment, Dean Robert J. Dolan said, "Tom has extensive experience and expertise in the area of strategy and organizational alignment. I look forward to his help on a number of key issues."



Thomas C. Jones

Jones' responsibilities will include supporting efforts to build stronger ties between students, faculty and alumni. "I am pleased to have the opportunity to be more actively involved with the community, to continue to build the capabilities of the school and to help strengthen our Global Blue network," he said.

Jones, who joined CIGNA in 1994, served as president of CIGNA Reinsurance: Property & Casualty; as president of CIGNA Individual Insurance; and as president of CIGNA Investment Management. Jones also was executive vice president and chief operating officer of NAC Re Corporation, where he was a founding member of the com-

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pany's board of directors, and held several senior management positions at General Re Corporation. He was Michigan's Commissioner of Insurance, an executive in the Michigan Department of Commerce and an adviser to former Michigan Governor William Milliken.

Jones is a Northwestern Michigan College Fellow, a designation given by its board of trustees to individuals who have made a significant contribution to the college. In December, Jones was elected a director of the CUNA Mutual Group, a financial services provider to credit unions and their members.

A Call for Vigilance

Levitt: Ask Questions, Read Proxy Statements

Arthur Levitt, chairman of the U.S. Securities and Exchange Commission during the euphoric stock market escalation of the 1990s, says several entities share responsibility for the recent corporate scandals that deflated investor confidence and hobbled the market.

"The blame doesn't just belong with the accountants and lawyers," Levitt told 300 people attending his lecture at the Business School in February. "It also belongs with the standard setters, rating agencies, regulators, boards of directors and the public."

Brokerage houses gave corporations favorable stock ratings to acquire financial services business and material information before it was available to the investing public, Levitt explained. He said the SEC did not adequately police this conflict of interest, although he is pleased tougher rules governing the disclosure of companies' financial information were implemented on his watch. "I could've done more on this issue than I did," he acknowledged.

Meanwhile, Levitt said, auditors skewed the books of corporate clients they relied on for lucrative consulting contracts; senators and congressmen did not support aggressive oversight of industries they counted on for campaign contributions; corporate directors failed to adequately scrutinize their

companies' suspect dealings; and investors, enamored with the booming market, did not question grossly inflated share prices.

Levitt is promoting his new book, *Take on the Street*, in which he elaborates on these machinations and advises small investors about their rights as shareholders, the market and how to protect their holdings. "A dollar spent on educating investors is far more effective than a dollar spent regulating markets," Levitt said.

He urged investors and organizations that represent their interests, such as the AFL-CIO and the American Association of Retired Persons, to be vigilant and work for stringent shareholder protection regulations. "Ask the questions, find out whether your congressman or senator cares (about stockholder protection), read proxy statements, look for boards that are corrupted," he said.



Arthur Levitt

"A dollar spent on educating investors is far more effective than a dollar spent regulating markets."

During a question-and-answer session following his talk, Levitt:

- Said the Bush Administration's plan to eliminate taxes on dividends won't jump-start the economy, as the president suggests, but could affect market behavior by encouraging companies to pay dividends and causing investors to take a longer-term view of the market.
- Rejected the notion that certain financial information—such as mutual funds' proxy voting records—should be withheld because they would overwhelm or confuse small investors. "I can't think of any kind of disclosure that would not benefit investors," he said.
- Credited President Bush for supporting a large budget increase for SEC enforcement activities in the wake of scandals at Enron and other corporations. "He's put the prestige of the administration behind the commission, and I think you can ask for no more from the administration."

Levitt's campus visit was sponsored by the Business School's Executive MBA Program and supported by the Borders Group and Pantheon Books, his publisher.

Dave Wilkins

Remembering King

Gomes: “You Are on the Side of the Angels”

Less than a week after the Bush administration asked the U.S. Supreme Court to declare the University’s admissions policies unconstitutional, the Rev. Peter J. Gomes told a friendly audience, “Win or lose, you can’t help but win because you are on the side of the future. You are on the side of moral justice. You are on the side of the angels, and the world will stand witness to that.”

Speaking at the Business School’s Martin Luther King Jr. program January 20, Gomes, the Plummer Professor of Christian Morals, Pusey Minister at Memorial Church, Harvard University, and best-selling author, said, “It is not always a bad thing to have the government standing opposite you in the forum of moral public opinion.” He cited the Supreme Court’s decision in favor of the government in the *Dred Scott* case, in which the majority ruled that Congress had no power to limit slavery in the territories.

Gomes chose for his text the Genesis story of Joseph, whose brothers sold him into slavery after he shared dreams indicating he

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Rev. Peter J. Gomes

would reign over them. “You can’t kill a dream, but you can do a lot of damage if you kill the dreamer,” Gomes said.

King, with his dreams of racial justice, upset the moral equilibrium of the country. “What Martin Luther King did—a dangerous thing—was to force us to take seriously as a country our own moral ambitions and

aspirations. He forced us to face first the disconnect between our profession and our practice, and then he forced us to face what ought to be done,” Gomes said. “That, like Joseph’s dream, was too much for our culture to bear.”

“It is not always a bad thing to have the government standing opposite you in the forum of moral public opinion.”

All of us have benefited from King’s ambitions, Gomes said, adding, “He actually believed that God had sent him to do good for the whole people, not just for his people.”

Gomes exhorted the audience:

- To remember our past. “Our fathers and our mothers didn’t die to leave us in this place. They did not do what they did just for black America. They did it for all America and indeed the whole world.”
- To see discouragement as the seedbed of opportunity. “Discouragement must not be an anesthetic. It must be a stimulant. We need to reclaim old friends. We need to discard false friends. We need to make new friends. We have not arrived anywhere near the Promised Land. We still have miles to go and work to do until our great victory is won.”

Business School Welcomes New *Dividend* Editor



Mary Jo Frank

With this issue, *Dividend* welcomes its new executive editor, Mary Jo Frank. She succeeds Cynthia Shaw, the magazine’s editor since 1996. Shaw now directs the Business School’s Office of Communications.

Frank joins the Office of Communications after having served as coordinator of executive communications for the Office of the Vice President for Communications at the University of Michigan for more than seven years. In this capacity, she worked closely with former University presidents James J. Duderstadt and Lee C. Bollinger and interim presidents Homer Neal and B. Joseph White. Prior to that, she was editor of *The University Record*, Michigan’s weekly newspaper for faculty and staff, for seven years.

“Mary Jo brings skill and sensitivity to the editorship of *Dividend*,” Shaw says. “Through her role at the magazine, she will serve and unite the Business School community.”

A former *Ann Arbor News* education reporter, Frank has been recognized for outstanding education writing. She has a bachelor’s degree in education from Central Michigan University and a master’s degree in communication studies from the University of Michigan.

Frank has served in a volunteer capacity for numerous nonprofit organizations, including as secretary and member of the Board of Directors of Habitat for Humanity of Huron Valley.

“I am delighted to be part of the University of Michigan Business School and look forward to working with alumni and other members of our community to continue to publish an exciting, high-quality magazine that informs and engages readers and is a source of pride for all who are associated with the school,” Frank says.

Dean's Speaker Series

Amex CEO: “The Stakes Are Incredibly High”

American Express Company was consistently racking up solid annual gains in revenues and earnings when Kenneth Chenault—who spoke at the Business School in February as part of the Dean's Speaker Series—took over as chairman and CEO in early 2001.

Despite the company's success, Chenault was concerned the bull market and strong Amex card billings were driving the growth, leaving American Express vulnerable to an economic downturn. He was convinced the firm needed to take steps to ensure it would continue to prosper even if the growth in equity markets and card billings fell into single-digit territory. Though some members of his management team considered this an alarmist viewpoint, they began developing a three-year business plan to transform the company.

Successful companies

“focus on reinventing themselves constantly, but they do it from a core set of values.”

Then came the economic slowdown, the September 11 terrorist attacks and weakened travel and retail markets—sectors critical to American Express. Even more devastating was the loss of 11 of the company's employees in the assault on the World Trade Center. American Express' Manhattan headquarters were damaged in the attack, requiring 4,000 employees to be temporarily reassigned to nine locations.

Chenault, whose speech was titled “Managing in Volatile Times,” said American Express had consistently reinvented itself during its 153-year history, and it needed to do so again. “We were not just going to survive,” he said. “We were going to prosper and emerge a stronger company.”

Management accelerated Chenault's three-year business plan, carrying it out in 14 months. Key steps included:

- Reducing its workforce by 15 percent. Chenault said this painful step was necessary to restructure the company and ensure long-term stability—and was not

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a shortsighted reaction to short-term market conditions.

- Leveraging the firm's global reach to increase efficiency. American Express provides customer support to the Japanese market from Australia, for example, and has increased service operations in Europe and India as well.
- Increasing investment in the Internet—even as other corporations were scaling back on technology spending. “The economic benefits of the Internet are substantial,” Chenault said. American Express now provides 80 percent of its U.S. customer service online, for example,

Chenault said. “People waived policies and procedures, and they didn't check in with headquarters,” he said. “They took care of not only our customers, but anyone who needed assistance.”

Leadership, Chenault said, is built upon integrity, consistency, concern for people and the ability, as Napoleon expressed it, to define reality and give hope. “Without a foundation of trust, leadership fails—especially in difficult times. You're asking people to take a leap of faith with you, and you have to have a plan,” he said. “In times of crisis, leadership reputations are made or lost.”

The evidence suggests American Express' strategy is working. Despite the layoffs and other stresses, the company consistently has improved its showing on its



Kenneth Chenault says, “Change is a tremendous opportunity.”

which has dramatically cut costs while freeing call center staffers to deliver a higher level of service. “We've paid for all our Internet infrastructure and we expect the Internet to continue paying dividends,” Chenault said.

Internally, American Express reinforced its corporate values and emphasized strong leadership in response to the turbulent times, Chenault said.

Successful companies “focus on reinventing themselves constantly, but they do it from a core set of values,” he said. “The test is whether you adhere to your values in crisis.” In the immediate aftermath of the September 11 attacks the company's primary value—a commitment to premium service—was evident as employees did everything necessary to help their clientele,

annual employee survey and *Fortune* magazine's ranking of “The Best Places to Work.” Meanwhile, it finished 2002 with a 15 percent increase in earnings and a 5 percent increase in revenues. Its share price has been flat, while competitors experienced declines ranging from 6 percent to 43 percent, Chenault said.

The current confluence of volatile markets, geo-political uncertainty and high-profile corporate scandals constitutes “a business Perfect Storm,” he said. “This might be the most challenging time in business in the last 50 years.... The stakes are incredibly high.”

Even so, “I feel quite optimistic about the future,” Chenault said. “Change is a tremendous opportunity.”

Dave Wilkins



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“We guys in the ivory tower think this is a momentous change in the tax system. There ought to be trumpets or something. We should be having a serious discussion about this, not doing it through the back door.”

Joel Stenrod, the Paul McCracken Professor of Business Economics and Public Policy, remarking on President Bush’s proposal to revamp the U.S. tax code.

The Wall Street Journal, February 6, 2003.

“The threats of war and of terrorism have a depressing effect on business investment, as people begin to lose the ability to predict future conditions. It takes the control of markets away from investors and out of the hands of regulators, which creates huge uncertainty in the market.”

E. Han Kim, the Fred M. Taylor Professor of Business Administration and director of the Mitsui Life Financial Research Center and East Asia Management Development Center, commenting on the third consecutive year of losses on the Dow.
The Detroit News, January 1, 2003.

“American society has chosen to run a large part of its welfare state through the workplace via fringe benefits.”

John E. Tropman, adjunct professor of organizational behavior and human resources management, talking about the history and future of fringe benefits such as healthcare and disability insurance in the United States.
U.S. News & World Report, February 24, 2003.

“The U.S. is pretty unique in taxing dividends the way we do. Almost no other high-income countries have double taxation of dividends.”

James R. Hines Jr., professor of business economics and research director of the Office of Tax Policy Research, commenting on President Bush’s proposal to exempt dividends from the federal personal income tax.
Business Week, January 20, 2003.

“Since about 80 percent of the U.S. economy consists of services, it’s more than just an annoyance; it’s a threat to the economy.”

Claes G. Fornell, director of the Business School’s National Quality Research Center and the Donald C. Cook Professor of Business Administration, weighing in on complaints about poor customer service and technical support in the computer industry.
The New York Times, February 13, 2003.

“Our study does not support the logic of the recent deregulation in financial services firms that assumes Chinese walls are effective and appropriate.”

H. Nejat Seyhun, professor of finance, discussing research findings focusing on the efficacy of “Chinese walls” at securities firms.
The New York Post, February 16, 2003.

“There’s going to be disbelief that someone in the boondocks in Jaipur can innovate something so far ahead of what they do here in the United States technologically. There’s going to be disbelief, especially when you look at what the production price is.”

C. K. Prahalad, the Harvey C. Fruehauf Professor of Business Administration, talking about a revolutionary prosthetic foot designed and fashioned out of rubber in Jaipur, India.
The Houston Chronicle, December 1, 2002.

“Too often, this community has been defined by commentaries or observers. Most Americans don’t know a lot about their Arab American neighbors.”

Wayne Baker, professor of organizational behavior and human resource management, explaining a landmark study of Arab Americans he is conducting in Metropolitan Detroit.
The Detroit News, January 29, 2003.

“If you are going to bet on GE for the future, you are going to bet on their leadership. I still think they have the best leadership team and the best bench strength of any company in the world.”

Noel M. Tichy, director of the Global Business Partnership and professor of organizational behavior and human resource management, commenting on Fortune’s annual poll to identify the most admired companies in America.
Fortune, March 3, 2003.

“People used to call the retirement system a three-legged stool. One of the legs the stool sits on is private savings, another is Social Security and the third is some kind of employer-sponsored pension plan. But for more and more people, that pension plan is a 401(k), and sometimes the three legs are not enough. Some people joke about the fourth leg these days being the McDonald’s leg.”

Dana Muir, who sits on the Department of Labor’s committee on the Employee Retirement Income Security Act, talking about the impact of stock market losses on many workers’ 401(k) plans.
San Antonio Express-News, January 18, 2003.

Creativity at Work

Navigating the Roadmap to Value Creation

By Jeff DeGraff and Katherine A. Lawrence

DeGraff is a clinical associate professor of business management and Lawrence is a doctoral student in organizational behavior and human resource management, both at the University of Michigan Business School

In today's competitive, global market, there are only two ways to survive and thrive: Do something better or make something new. This is true for companies selling products or services.

We believe creativity is no longer an abstract goal, but a roadmap to value creation, particularly during a down market and turbulent economic times.

Already, consider that the top 100 worldwide companies in terms of market valuation have moved away from the notion of fixed assets and balance-sheet valuation. Instead, they are valued according to their ability to create the future—and to create products, services and new business concepts.

We have studied leading business organizations and have found they have been highly successful with several different approaches to creativity. The four predominant types of creativity—we call them Imagine, Invest, Improve and Incubate—can be applied at all organizational levels, from corporate leadership to department managers to individual employees.

By understanding the types of creativity being used in your organization and by improving your strengths as well as your less-dominant skills, we believe you can help move your organization beyond mere survival to achieve spectacular success and create an exciting, dynamic workplace. As

a leader concerned about the bottom line, you must encourage practices that foster creativity at all levels of the organization you lead.

You should bear in mind, however, that one size of creativity does not fit all. The nature of businesses and the environment in which they operate vary from sector to sector. The process of creativity is quite different, say, for a company developing a new restaurant versus one building a new mass transit system. Thus, the product or service a company is creating, coupled with the business situation in which creation is taking place, determine its approach to creativity.

Creativity also requires the appropriate competencies in order to accomplish the desired objectives. All creative activities, such as learning a language or how to play a musical instrument, are developmental and involve practices with which people initially may be unfamiliar. Therefore, before an organization can invent something, it must develop the experiences or appropriate competencies to create the outcomes. A company that fails to do so may fail to reach its creative goals.

Think about your organization as you read the following profiles. Ask yourself:

- What creativity profile or profiles are we relying on to maintain our competitive advantage?
- What new competencies and creative profiles do we need to develop to bring more balance to our organization?



The four creativity profiles vary in speed and magnitude of creativity and the nature of their practices.

IMAGINE PROFILE

This type of creativity focuses on innovation and growth, either by making something new or selling it to a new customer, or a combination of both. It is breakthrough and high risk. It also requires a lot of visioning, so strategic forecasting, experimentation and trend analyses are important. Because it tends to be very speculative, however, it has a high mortality rate. Walt Disney, for example, used *imagination* to create a world-famous amusement-park concept. He also created the first full-length animated film and the modern multimedia company. Disney's gift was his ability to recognize a good opportunity on the horizon. Perhaps his greatest triumph was Disney World and the Epcot Center, considered modern miracles of "Imagining" and urban planning when they were built. He transformed a 3,000-acre mosquito-infested swamp in central Florida into one of the top tourist destinations in the world.



Marcia L. Lefford

Katherine A. Lawrence and Jeff DeGraff

People in the Imagine profile are often artists or entrepreneurs with special abilities who pride themselves on being extremely flexible, open to new ideas, willing to try new things and forward looking rather than introspective.

One of our favorite examples is Fluke Corp., a test and measurement instrument company that was floundering in the early 1990s. CEO Bill Parzybok turned the company around by treating the real world as its R & D lab. Fluke's strategy is to leverage problem-solving scenarios into new products and services, continuously. Fluke sends what it calls "Phoenix teams"—a six-person team from the engineering, marketing and finance departments—to solve a specific client problem. The team is given 100 days and \$100,000 to go into the field and solve the problem. The Phoenix formula encourages team members to create solutions that are novel and useful, and it works! Even though it has no R & D department, Fluke intro-

duces a dozen new products each year, with new products making up 40 percent of overall revenues.

IMPROVE PROFILE

Creativity in this profile is incremental. It builds or elaborates on existing products, services, processes and systems, and often requires a great deal of integration. The Improve profile is the direct opposite of the Imagine profile.

Businesses in this profile usually have three characteristics:

- They are complex due to the size or nature of their operations.
- They almost always compete on cost.
- Failure is not an option.

Both the magnitude of change and the amount of risk are low, compared to the Imagine profile. This type of creativity is seen in medicine—where there is a right way and a wrong way to do things—as well

as in the military or heavy manufacturing businesses such as those that make airplanes and automobiles. These organizations rely on systems, platforms and processes. They are highly analytical and engineered although often they are not considered to be creative—a myth easily dispelled by the ongoing refinement of, say, the Lexus line of luxury vehicles that has produced impressive value through steady improvements.

People in the Improve profile, such as engineers or scientists, are realists. They like to study data and base their decisions on facts. They have a deep understanding of the physical realities and laws of nature that govern what they are creating. A classic example is Ray Kroc, of McDonald's fame. He didn't invent fast food. White Castle, Howard Johnson and other chains had been around long before McDonald's. Kroc understood the complexities of the system, both in terms of food preparation and restaurant development, and *improved* upon the local diner by creating a standardized fast-food chain where employees

Developing Your Own Creativity

Creativity, like all learning, is developmental. No one wakes up one morning and writes a great novel. Aspiring authors start by writing novels that initially may not be very good, improving their technique through practice.

To tap into your own creativity, ask yourself:

When are you creative?

What are you doing or not doing when you are most creative?

Where are you? A noisy or quiet place?

What time of day? Morning or night?

Are you most creative when you are collaborating with others or alone?

What gives you the most energy? What saps it?

To develop your creativity, pay attention to what nurtures your creative spirit and record what you learn in a journal.

could learn the science of making food quickly with few errors.

INVEST PROFILE

The Invest profile perspective is driven by speed and is time-horizon based. It is a hallmark of publicly traded companies that must report quarterly earnings and face constant pressure to increase rates of return. This type of creativity generates profits and speed. Invest-style creativity focuses on processes involving resource allocation and performance management. It measures projects in terms of one investment versus another, much like a portfolio of stocks. Brand management is important.

This form of creativity is typically done in short bursts by so-called “tiger” or “win” teams, which focus intensely on the creation of a product, service or concept for a limited period of time. Through partnerships and acquisitions, these companies gobble up other firms with special abilities and then marry them with their own abilities to create something new. People in this area are competitive and performance-oriented. They care more about numbers than qualitative data. This is *laissez-faire* capitalism, the hallmark of Wall Street firms. Procter & Gamble, Microsoft and GE are good examples of Invest-style companies. Jack Welch *invested* in the acquisition of 934 companies over his 20 years as CEO to create tremendous market value for General Electric.

INCUBATE PROFILE

Firms in the Incubate profile focus on creating a high-performing workplace and workforce in a sustainable way. So-called lifestyle companies accomplish this by developing people and making the working environment a pleasant one. Common tools and techniques include developing an idea space where people can express themselves and setting up mentoring and training programs. A great deal of emphasis is put on hiring the right people. Customers may be considered partners in an extended community.

Companies compete through identification with their values and beliefs. Individuals in this profile are rooted in the community and are interested in the people around them and in learning. Creativity occurs because there is strong moral identification with the work. The slow development of a community of practice that is associated with the Incubate profile is opposite the Invest profile, which targets fast, but not necessarily sustainable, results. Apple Computer, Patagonia, Harley-Davidson and

most universities fall under the Incubate profile. Florine Marks *incubated* ideas about dietary habits and weight control to create a multi-million-dollar support organization, Weight Watchers International.

...a business leader's job is to develop the competencies, culture and processes required for each creative profile in a way that is appropriate for the situation to produce value. That is what great leaders do.

Organizations benefit from all four types of creativity, but in different amounts in different places at different times. After all, innovation is not only about having great ideas, but also about implementing them in an organization. The development of a new product line, for instance, may require Imagine-style creativity in the design phase when wild ideas are needed. Later, the emphasis may shift to the Invest profile when a business plan is formulated and to the Improve profile when production capabilities are developed. On an individual level, a manager may switch creativity “hats” several times a day, depending on whether the task at hand is to hire new staff (Incubate), refine an existing process (Improve) or partner with another department (Invest).

Often, different functions within an organization rely on competing types of cre-

ativity, causing conflicts. A marketing manager, for example, is more likely to use Imagine-style creativity for generating new product ideas. An operations manager will employ Improve-style creativity for refining the manufacturing process of existing products and may even resist efforts to broaden the company's offerings. Placing emphasis on one profile on the creativity map means moving away from the others, which may even destroy value in an organization.

In the final analysis, creativity is really about making choices. Focusing on product quality and systems control, for example, inhibits an organization from trying to create a new market. Trying to turn a quick profit stifles efforts to build a sustainable organization. If a company's strategy is to do everything, essentially that firm ends up doing nothing.

Someone must make hard decisions about the distinctions among creative approaches and the ensuing tradeoffs. Think for a moment about the conductor of an orchestra, who is the only one not making a musical sound. The conductor's job is to get everyone else to make a variety of sounds, but not always at the same time or intensity. Similarly, a business leader's job is to develop the competencies, culture and processes required for each creative profile in a way that is appropriate for the situation to produce value. That is what great leaders do.

To determine your organization's creative situation, take the free self-assessment available on the Web site: www.creativity-at-work.com.

More About Creativity at Work

Creativity at Work, Developing the Right Practices to Make Innovation Happen by Jeff DeGraff and Katherine A. Lawrence is part of the University of Michigan Business School Management Series. To order a copy, call toll free 800.956.7739, fax 800.605.2665 or visit www.umbsbooks.com.

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- To contact DeGraff or Lawrence directly, send messages to qumuse@umich.edu or kathla@umich.edu.



Izak Duenyas (left), associate dean for faculty development and research, and LaRue Hosmer at the Hosmer Luncheon Series—a forum for faculty to discuss their research and to foster interdisciplinary collaboration

Simple Solutions Insufficient

More ethics courses will not curtail managerial misconduct, says Business Professor Emeritus LaRue T. Hosmer

While some may attribute problems in corporate America to greed or poor governance, LaRue T. Hosmer, who pioneered the ethics curriculum at the University of Michigan Business School in the 1970s, believes that more accurate and useful explanations will be found at the juncture of business ethics, behavioral science and economic theory.

More ethics courses in our nation's business schools will not curtail the managerial misconduct that has become synonymous with firms such as Enron, Arthur Andersen, WorldCom and Global Crossing, says Hosmer, professor emeritus of corporate strategy, who has devoted much of his professional life to the study of ethics in managerial decision-making.

He shared his ideas with former Business School colleagues in a talk titled "Enron,

Andersen and Us" in a particularly fitting venue: the 2002–2003 Hosmer Luncheon Series. Hosmer created the luncheon series that bears his name as a forum for faculty to discuss their research and to foster interdisciplinary collaboration.

Hosmer, former director of the Business School's Magna Office of Entrepreneurial Strategies, taught at the Business School from 1971 to 1997 and was appointed the Durr-Fillauer Chair in Applied Ethics at the University of Alabama in 1998.

Founder and president of the Hosmer Machine Company from 1957 to 1968, Hosmer became interested in business ethics when, as a manufacturer of heavy machinery for sawmills and paper mills, he was asked on numerous occasions to pay bribes to people who could influence the purchase of his firm's equipment. He

refused to do so in each instance, decisions that Hosmer says, "certainly slowed the rate of our growth."

Noting that the 50 or so companies accused of large-scale manipulation of their financial statements represent a small percentage of U.S. firms, Hosmer says simple solutions—from limiting senior executive compensation and improving accounting standards to demanding increased accountability for board members and more business school ethics courses—are insufficient.

He tracks the genesis of today's corporate woes to the 1980s and a changing business climate marked by increased overseas competition, technological advances and increased global diversity in the marketplace.

Hosmer asks: "Where did these executives come from? How did they get to the positions they held? Why didn't middle level managers speak up? And why did it all happen at once?"

He tracks the genesis of today's corporate woes to the 1980s and a changing business climate marked by increased overseas competition, technological advances and increased global diversity in the marketplace. Managers reacted with mergers, acquisitions and reorganization and, as a result, organizations became too big and diverse to command, he says. Also, measures of achievement became too hazy to control. In this environment, Hosmer says, "It becomes easy to 'make your numbers' for a quarter, a year or even for a number of years, but over time the level of the needed manipulation and/or exploitation continually grows, and eventually the edifice becomes unsustainable."

At the same time, some businesses demanded more from employees, including off-the-clock work and weekend travel. Firms also squeezed suppliers for price concessions and reduced levels of customer service. Hosmer recalls a \$530 million Alabama jury verdict against a Michigan firm that had misled consumers regarding product prices and loan terms and then ignored their questions. Why didn't the company respond to customer complaints? The executive vice president told the court the firm was overwhelmed by the 2,000 complaints it received weekly. "It was the wrong



Stere Kizama

Speaking to faculty colleagues at the popular Hosmer Luncheon Series, LaRue Hosmer says many empirical studies and theories could be used to analyze what has happened at companies such as Enron and Arthur Andersen.

Food for Thought

Faculty who attend the Hosmer Luncheon Series learn about cutting-edge research being conducted at the Business School. Here are a few of the recent presenters and their topics:

- **George J. Siedel**, the Williamson Family Professor of Business Administration. "Using the Law for Competitive Advantage: Product Liability Risks and Opportunities."
- **Richard Sloan**, the Victor L. Bernard PricewaterhouseCoopers LLP Collegiate Professor of Accounting and Finance. "Earnings Quality, Firm Performance and Stock Returns."
- **Joseph Priester**, assistant professor of marketing. "The Nature of Evaluative Judgments."
- **Clemens Sialm**, assistant professor of finance. "How Should Investors Locate Their Assets Between Tax-Deferred Retirement Accounts and Taxable Savings Accounts?"
- **Michel Wedel**, the Dwight D. Benton Professor of Marketing. "What Do We Look at in Print Ads? Visual Attention and Its Effects on Memory."

response in an Alabama court," Hosmer says, "but even more it was the wrong way for a small division of a basically reputable company to pad revenue and profit figures at the expense of rural customers in a very poor section of the state."

Many empirical studies and theories could be used to analyze what has happened at companies such as Enron and Arthur Andersen. For example, studies show that organizational justice affects employees' attitudes regarding their pay, job satisfaction and commitment to the organization. "People who feel they are being treated fairly act in a way that is beneficial to the company," Hosmer says.

Business ethics is more than codes of behavior, adds Hosmer, who prefers a broader definition that includes the study of principles that determine justice and fairness in terms of outcomes, duties and actions.

Hosmer, who won the Exxon Prize for Educational Innovation in 1978 for integrating ethical issues into the MBA curriculum, predicts, "Integration of economics, behavioral sciences and applied ethics will become a dominant management theme. People are looking for answers. Ethics is no longer peripheral. I recommend that the Business School think in terms of a Center for Integrative Study of Managerial Responsibility that would combine equal measures of economic efficiency, behavioral effectiveness, and moral or ethical justice."

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.

What's Good for a Diverse Workforce Is Good for All

More minorities than ever before are joining the U.S. workforce, and businesses can do more to accommodate them, especially African Americans, says Lynn Perry Wooten, assistant professor of corporate strategy at the Business School.



Ashley Hootman

Lynn Perry Wooten

Compared with their white counterparts, African-American workers have lower levels of job satisfaction and commitment to their employers. Despite intense competition for recruiting and retaining the best workers, companies have little understanding of workplace practices valued by minority employees, she notes.

"Managing an ethnically diverse workforce effectively is a necessity today," Wooten says. "Understanding the human resource management preferences of African-American employees and their relationship to job satisfaction and commitment can help with this challenge."

In a report in *African American Research Perspectives*, Wooten and colleague Joycelyn Finley-Hervey of Florida A&M analyzed data on more than 3,500 employed adults (minorities and whites) in the National Study of the Changing Workforce. Sponsored by the Family and Work Institute and funded by the Alfred P. Sloan Foundation, the study includes data on employee demographics, personal well-being, workplace characteristics, job traits and employee outcomes on the job.

The researchers found that in addition to economic incentives, income and benefits, the most important reasons for African Americans in choosing and remaining on a job include:

- Learning opportunities
- Meaningful work and family friendly workplace policies
- Convenient work location
- Supportive culture
- Job security

African Americans place a high value on interpersonal relationships with supervisors and co-workers, which greatly impact both job satisfaction and employee commitment. This is consistent with prior research that shows that African Americans take a collectivism approach to work, valuing intimacy, agreeableness and teamwork.

In addition, the study found that African Americans are more satisfied with their jobs when workplace policies allow them to balance competing demands of work

and family, because of strong kinship values, by providing flexible work schedules, child care services and an organizational culture that does not penalize employees with family obligations.

Finally, African Americans are happier with their jobs and more committed to their employers when training and development opportunities are available.

"Organizations should invest in these practices not only because of institutional pressures, but also because organizations that make the best employers for a diverse workforce are good employers for everyone," Wooten says.

Contact Lynn Perry Wooten at lpwooten@umich.edu.

More Investment Advice Might Reduce Employee Lawsuits

Since the collapse of Enron, reports indicate that more than 100 lawsuits have been filed against some three dozen companies, based on employee losses in 401(k) plans. But firms might be able to reduce such litigation if their employees have more investment advice, according to a Business School study published in the *Berkeley Journal of Employment and Labor Law*.

In an analysis of the legal regime that governs the investment of more than \$1 trillion of retirement-plan assets in the United States, Dana Muir, associate professor of business law, found that employees would be better prepared to make investment decisions and enhance their overall returns if companies were not discouraged by law from providing a greater amount of advice to employees about their retirement investments.

"Employers establish, run and contribute to retirement plans, so they have a genuine interest in seeing their employees maximize 401(k) investments," Muir says. "However, federal regulations governing employer-sponsored plans present roadblocks that discourage firms from providing the investment advice their employees want and need."

Under the provisions of the Employee Retirement Income Security Act, employers who provide investment advice that turns out poorly may face legal liability. If an employer hires an investment adviser who offers bad advice, both may be held liable. In



Dana Muir

addition, a financial services company that administers a 401(k) plan for a company typically is prevented by federal law from providing investment advice to company employees participating in that plan.

In some circumstances, such as in plans where participants make their own investment decisions, employers are obligated to provide some general investment education—for instance, explaining the difference between a stock and bond fund—but face potential liability for providing more specific advice, Muir says. Given the recent volatility in the stock market and the difficulty in obtaining reliable information,

even educated investors still must overcome enormous hurdles in their decision-making process, she adds.

The Retirement Security Advice Act of 2001, which passed the House but not the Senate in the last Congress, attempted to address these blockages and to make investment advice more available to retirement-plan participants. It appears likely that this legislation will be reintroduced in the current Congress. However, Muir believes that the legislation inadequately protects employers who offer advice and employees who suffer losses, and fails to sufficiently guard against potential conflicts of interest by advice providers.

To fill these gaps, Muir proposes creating a "non-exclusive safe harbor" that would automatically protect employers from liability, provided they meet certain standards, such as offering employees a choice of two investment advisers who are SEC-registered and regulated.

Muir, who is known for her legal research on employee-benefits issues, is a member of the U.S. Department of Labor's Advisory Council on Employee Welfare and Pension Benefit Plans. Her new book, *A Manager's Guide to Employment Law: Protecting Your Company and Yourself*, will be available this spring as part of the Business School Management Series.

Contact Dana M. Muir at dmuir@umich.edu.

Better Than a Wall Street Trading Floor

John R. and Georgene M. Tozzi Hope New Center Will Differentiate Michigan, Serve as Model for Other Business Schools

When John R. Tozzi was a student and president of the Business School's Finance Club in the late 1960s, he and his classmate, the late David Alger, conducted their first stock trades in a first-floor phone booth.

"We were two of the original day traders," explains Tozzi, who graduated with distinction with an MBA from the Business School in 1967. Tozzi is president and CEO of Cambridge Investments Ltd. of San Francisco and of Jackson, Wyoming, an investment management firm that specializes in the energy industry.

On October 25, the Business School dedicated the much larger, state-of-the-art John R. and Georgene M. Tozzi Electronic Business and Finance Center in the Electronic Resources Building. The 5,800-square-foot facility includes a new financial analysis and trading floor classroom, a flexible and wireless electronic classroom and an E-lab seminar room. It is equipped with the latest in live financial data feeds, information services, and research and trading tools to allow students to experience the look and feel of a trading floor environment.

Richard G. Sloan, the Victor L. Bernard PricewaterhouseCoopers LLP Collegiate Professor of Accounting and Finance, developed the school's financial analysis and trading curriculum and began teaching the first classes offered in the Tozzi Center in January. Sloan said the simulated trading floor, with its networked workstations, teleconferencing system, dedicated feeds for

real-time information from global markets and the latest financial services, is better than a Wall Street trading floor because students have access to the latest securities research, investment banking and asset management tools.

"It is more than a trading floor. It is structured very carefully to function as a

classroom and to serve important educational goals," Sloan added.

Daryl Leach, Student Government Association president, thanked John and Georgene Tozzi, noting, "You have set a very high watermark for student and alumni expectations for the future."

Members of the Tozzi family attending the dedication included John and Georgene; their son, John C. Tozzi, who earned an MBA with distinction from Michigan in April; and their daughter-in-law, Meaghan. Both John R. and John C. Tozzi are members of the international business honor society Beta Gamma Sigma, and John C. Tozzi heads up Cambridge's real estate division. The Tozzis also have a daughter, Courtney, who is vice president of Cambridge Investments, and a son, Robert, a graduate student working toward his degree in Oriental medicine and acupuncture in Colorado.

Tozzi expressed appreciation for his Michigan education, acknowledging four professors he worked for as a Business School Robert G. Rodkey Fellow: Douglas Hayes, C. James Pilcher, Thomas G. Gies and Sidney L. Jones. "It was their Midwestern values, ethics and business acumen that set the foundation for a business career that has enabled us to participate in a state-of-the-art financial and educational center that will hopefully differentiate



John R. Tozzi experiments with latest technology in the Tozzi Electronic and Finance Center. Looking on are his wife Georgene, son John and daughter-in-law Meaghan and Kai Petainen, computer systems specialist.



Martin Ilwet

Among those attending the dedication of the new Tozzi Electronic Business and Finance Center were John R. Tozzi (left), his wife Georgene, Dean Robert J. Dolan, and Meaghan and John C. Tozzi.

Michigan and serve as a model for other business schools," he said.

University architect Susan Monroe, whose design contributions to the Tozzi Center were acknowledged at the dedication, explained later that John Tozzi "approved of the space for the center because of its high ceilings and wonderful views to the immedi-

an 'unbusy' background environment. The waves in the ceiling, the curves in the floor

plan and the cool, metallic finishes juxtaposed with warm, soft colors were developed in response to Tozzi's requests by University Interior Designer Renee Garno and me. The Tozzis were involved in the fine-tuning and ultimate approval of the final scheme," Monroe added.

Tozzi, a member of the school's Visiting Committee, and his wife founded Cambridge Investments in 1981. Previously, he was a founding partner and member of the executive committee of Montgomery Securities. Prior to that he was a member of the Institutional Department of Donaldson, Lufkin & Jenrette and a member and manager of the Institutional Department of Lehman Brothers.

In addition to upgrading the school's ability to teach investment financing, the Tozzi Electronic Business and Finance Center symbolizes the Business School's commitment to action-based learning, Dean Robert J. Dolan said. He thanked John and Georgene Tozzi for the generous gift that made the new center possible and for the technical expertise they provided in designing the facility.

Following the dedication, Tracy Akresh, a second-year MBA student and co-president of the school's Investment Club, said, "Students are really excited about this gift. It will make a huge difference. The Tozzi Center bridges theory and practice and will give students practical experience and background in equity research."

In addition to upgrading the school's ability to teach investment financing, the Tozzi Electronic Business and Finance Center symbolizes the Business School's commitment to action-based learning

ate campus landscape. He emphasized this in our initial meeting, as well as his desire to have the wiring concealed, all in the stated interest of creating a calm backdrop for the high-pressure activity.

"Georgene Tozzi requested furniture with sleek lines, again to lend support for



Steve Kizama

Dave Webb, MBA '03 (left), Patrick Herrington, MBA '03, and Irene Sebastian, MBA '03, were among the first students to take advantage of Michigan's new financial analysis and trading floor classroom.

Tozzi Electronic Business and Finance Center

Steve Kuzma



Tyler Shumway, associate professor in finance, teaches Finance 640 in the new John R. and Georgene M. Tozzi Electronic Business and Finance Center. The course is intended for MBA students who plan to take trading jobs but is also relevant for all students who plan to trade securities frequently. The course uses a combination of lectures and trading simulations/games conducted on the Business School trading floor to make students comfortable with ideas like order type, bid-ask spread, information and dynamic hedging.

Business School/Bloomberg Partnership Provides Competitive Advantage

Thanks to a new partnership with Bloomberg LP, the University of Michigan Business School is one of the first business schools in the world to offer an in-house Bloomberg Professional certification program to its students. The program, which has been adopted by many financial institutions and corporations worldwide, is designed to provide market professionals with the tools and resources to optimize their job performance.

“Michigan has long been a destination for business students with a career focus in the financial sector,” says Dean Robert J. Dolan. “By forging close relationships with industry leaders like Bloomberg, Michigan students will continue to have a significant advantage as they enter the job market with unique and practical experience.”

Bloomberg’s exclusive certification program, first offered during the Winter 2003

semester, requires students to take four seminars in required topics and one elective. To date, more than 300 students in all degree programs at the Business School, including BBAs, MBAs, Master of Accounting students and PhD students, have signed up to become certified.

The Business School/Bloomberg partnership will use the 14 Bloomberg financial terminals installed in the school’s new John R. and Georgene M. Tozzi Electronic Business and Finance Center. These terminals are equipped with Bloomberg Professional financial software and data feeds. The size of Michigan’s program, with its large concentration of Bloomberg terminals, is unmatched at any other school.

The Tozzi Center is a \$3 million, state-of-the-art learning facility that has the look and feel of a trading floor environment.

“The technology and resources available to students in the Tozzi Center, including networked workstations, an integrated teleconferencing system, dedicated feed for real-time information from global markets, and the latest financial services like Bloomberg Professional, rival the tools and resources of financial professionals, including investment managers, investment bankers, traders and many other financial positions,” says Richard G. Sloan, professor of accounting and finance. “Students who have the opportunity to learn in this classroom will clearly have an advantage when they enter the business marketplace.”

“Prospective employers will know that with this certification, students at the Michigan Business School have the skills to succeed in these uncertain times,” adds Dolan. “It is a great supplement to a degree from one of the nation’s top business schools.”



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Remember Michigan...live forever.

After 14 years of learning every facet of the restaurant industry, **Jim Solomon, MBA '92**, opened his dream restaurant, The Fireplace, in Brookline, Massachusetts, in 2001.

The Fireplace, one of New England's most highly acclaimed grills, emphasizes the freshest ingredients of the region, prepared using direct-heat techniques, such as wood smoking, braising and rotisserie. It also offers an intriguing all-American wine list highlighting boutique wineries of the west coast and bi-weekly Saturday afternoon fireside chats on a variety of culinary topics.

"My father was an academic and worked on anti-poverty programs," says Solomon, who was born in New Haven, Connecticut. "He worked in the Johnson administration and then returned to become a professor at Harvard and the Massachusetts Institute of Technology while I was growing up. That's where I really was introduced to the celebration of the bounty of New England." Later, the family moved to Chicago. Solomon completed high school and went to Union College in Schenectady, New York, where he majored in political science.

"The Business School taught me how to evaluate a problem or situation while considering all facets."

"Even then I really wanted to open a restaurant, but I took a corporate finance job with Citibank while in college, worked full-time during my last two summers, went to London in my junior year and Tokyo in my senior year, quit my job and went into the restaurant business. I got my first job at Paco's Tacos in Harvard Square, and from then I was hooked," Solomon says. He next went to



Matthew McKee

Born to Cook

Jim Solomon, MBA '92

work with Pizzeria Uno, studied all their financial reports and convinced them to start a program in restaurant education. "One of those classes required me to create a restaurant on paper, and that's when I came up with the concept for The Fireplace," Solomon adds.

"I knew the concept, but needed to understand the numbers, and I wanted a school with Big Ten spirit and a large, active student body. I realized the Michigan Business School had tremendous ethnic and racial diversity and that it took into consideration what you

would do to enhance that environment," explains Solomon, who earned an MBA in general management.

After graduation, he worked at several restaurants before attending the Culinary Institute of America and then worked at a few more restaurants before returning home to open The Fireplace. "I spent the next 18 months consulting and cooking in various restaurants while pulling The Fireplace deal together. We opened on September 6, 2001, and it has sold out every night since, except for four," Solomon says.

"We have virtually no turnover. I try to hire good people with strong character and spend money on training."

In addition to operating the restaurant, each summer Solomon shares his culinary skills with youth attending the Seeds of Peace camp. "I was introduced to Seeds of Peace because I had an idea to bring Arabs and Jews together over something common—food," explains Solomon, who cooks and teaches cooking at the camp located in Maine.

"The Business School taught me how to evaluate a problem or situation while considering all facets, and Professor C.K. Prahalad taught us to think of labor as a fixed rather than variable cost. That principle, almost more than any other, guides my philosophy for running my business," emphasizes Solomon. His employees are pampered with health club memberships, health insurance, good pay and many other perks. "I even encourage them to have their holidays with their families so we are closed almost every major holiday. We have virtually no turnover. I try to hire good people with strong character and spend money on training."

ALUMNI AT LARGE

ALUMNI AT LARGE

Lisa Black, MBA '87, a member of the Business School's Alumni Society Board of Governors and the Annual Giving Working Group, is one of Michigan's senior alumni on Wall Street.

The confident yet unassuming manager of the \$358 million TIAA-CREF Bond Plus Fund has been featured in *Business Week*, *Fortune*, *The New York Times* and CNNfn.

Black, born in Grosse Pointe Farms, spent most of her childhood in Michigan, except for five years in Alabama when her dad was transferred there for his work.

After earning a bachelor's degree in economics from Smith College, Black moved to Boston in 1981 to train for the U.S. Olympic Rowing Team. There, she worked as a receptionist at a typesetting company. When she realized she probably wouldn't be representing the United States in the rowing competition, Black started searching for a job in her field, only to hear on numerous occasions, "If you only had an MBA."

"I have my dream job now and couldn't tell my boss I have aspirations to do anything else. If I get promoted, it moves me away from the day-to-day work."

"I applied to the University of Michigan for that MBA because of Michigan's strong reputation in accounting. Part of the attraction also was coming back to the midwest and my fondness for athletics," explains Black, who focused on finance and accounting. "When I was looking at job postings, I noticed TIAA-CREF was recruiting. The TIAA-CREF culture was one selling point. People here take their jobs seriously but having time away from the office is



Rowing up Wall Street

Lisa Black, MBA '87

more important to them than inter-office competition."

Black began her career in 1987 in the paper and forest products and bank and finance sectors. "I was informally assigned to a mentor and visited a lot of paper plants, took a bank credit analysis class; and through on-the-job experience, conferences and seminars I was taught and taught myself," Black adds.

In 1989, she was assigned to a CREF team responsible for two new variable annuity accounts. "I did that for three

years and then went into the TIAA mortgage-backed securities group, becoming manager in 1994. In October 1996, I was asked to become portfolio manager of the variable annuity bond accounts," explains Black. "When I first took over the two variable annuity accounts, we had about \$1.5 billion. Since then, we have added three mutual funds and now have total assets of \$9.5 billion."

Today, the 215 bonds in the TIAA-CREF Bond Plus Fund that Black's team manages have an average yield of 4.3

percent. The fund's annual expenses totaled only 0.3 percent in 2002, compared with one percent for its peer group. Black's group buys and sells bonds quickly to take advantage of opportunities in the corporate, mortgage-backed and government sectors. It invests at least 75 percent of the fund's assets in investment-grade corporate bonds, as well as in United States Treasury, agency and mortgage-backed securities. In 1999, more than two years before Enron's fall, Black sold the fund's Enron bonds because of concerns about Enron's financial statements.

"The environment, good citizenship, communication skills, leadership skills and the class work emphasized at Michigan are fundamental to my success."

"I have my dream job now and couldn't tell my boss I have aspirations to do anything else. If I get promoted, it moves me away from the day-to-day work. I don't know whether I'll stay here, move up, retire at 50 or stay longer. It's a great spot to be in," Black says. "My parents live in Florida and also have a condo in northern Michigan, so I visit the area quite often. Sailing and golf appeal to me tremendously, and if I do leave, I'll probably head south.

"There is no question the caliber and type of people I went to school with at the University of Michigan were the type I wanted to be with in my professional life," she states. "The environment, good citizenship, communication skills, leadership skills and the class work emphasized at Michigan are fundamental to my success."

By Fred P. Wessells

*Senior Seminar
Marks 10th Anniversary;
Stresses Independence,
Critical Thinking and
Communication Skills*

Inspiring Course Blends Liberal Arts and Business

By Mary Jo Frank

A decade ago, **Russell Anmuth, BBA '93**, enrolled in the Business School's first BBA Senior Seminar, a capstone course that engaged and challenged him intellectually and helped set the stage for a successful investment career.

Marking its 10th anniversary, the BBA Senior Seminar, with its emphasis on independence, critical thinking and the blending of liberal arts and business education, continues to excite and transform, graduates say. Michigan's honors-type seminar, which includes elements drawn from the tutorial system associated with Oxford and Cambridge, makes the Business School a leader among BBA programs nationally and has become a model for other institutions, including the Undergraduate Division of The Wharton School at the University of Pennsylvania.

Marcia L. Lefford





(Left to right) Jodi Goodman, Amber Ward, Professor George Siedel, Ronald Yiu, Imran Ali, Cindy Wilson, Kimberly Harris and Lindsey Scrase discuss the students' research projects in the Student Lounge. Each of the seven pursued a thesis topic related to leadership.

"I applied my junior year. It was a very big deal to have an honors-type class in a business school," recalls Anmuth, who did his research thesis on Michael Milliken and high yield bonds—a controversial topic at the time. For his thesis, Anmuth examined the track records of several dozen companies that had used high yield bonds. Today, Anmuth is a principal of Gotham Holdings LP, an investment partnership that focuses on fast-growing small and mid-cap companies.

In the two-semester BA 380, students work with a senior professor to develop a thesis that builds on previous liberal arts and BBA coursework. Senior Seminar students—35 in 2002–03—hone their analytical and communication skills by sharing ideas and contributing to and critiquing each other's drafts and presentations.

George J. Siedel and George D. Cameron launched the program in 1992.



Russell Anmuth

Cameron, professor of business law, led the seminar for six years before Siedel, the Williamson Family Professor of Business Administration and professor of business law, began directing it in 1999.

"The Senior Seminar attracts the best students, not only academically, but also in terms of leadership and a zest for learning," Siedel says.

Recent graduates include **Raj Ramanan, BBA '00**, who works as an analyst at Capstone Consulting, a subsidiary of Kohlberg Kravis Roberts, in

New York City. "The Senior Seminar is an amazing experience," Ramanan says. "Professor Siedel is a major reason why I look back on the Senior Seminar so fondly. He is very learned, with deep knowledge in a diverse array of topics. He is also a gifted instructor, with the ability to foster a caring, risk-free environment during our discussions. Professor Siedel is a father figure, a person who genuinely cares about each student. I found myself sitting in his office talking about issues well outside the seminar, such as my career decision, graduate school and other courses."

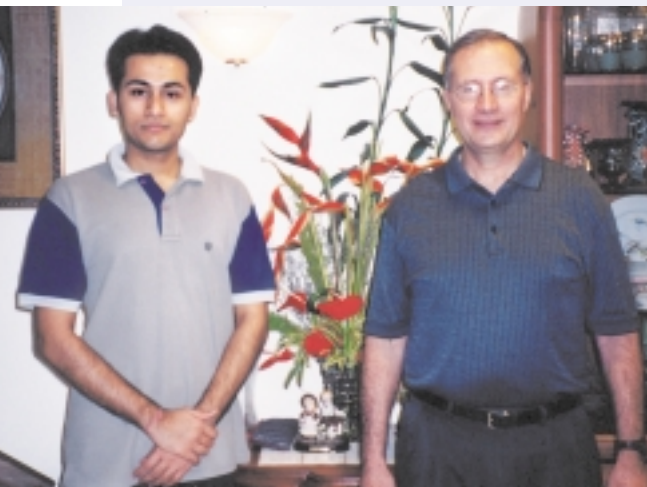
In his thesis, "Business Insights from the *Bhagavad-Gita: Resolving Ethical Dilemmas*," Ramanan used a spiritual

Former Students Stay in Touch with Siedel Long after Graduation

George J. Siedel's fifth-floor corner office in Davidson Hall, overlooking the Law School, is a favorite gathering spot for current and former students.

Because Siedel works so closely with the 35 or so students who enroll in the Senior Seminar each year, from the time they apply as juniors until after graduation, many stay in touch with him long after they've left Michigan.

Visits to Ann Arbor often include a call on Siedel for advice about careers and letters of reference when changing jobs or applying to graduate programs. He enjoys the student contact and celebrates milestones in students' lives. In January, he flew to Bombay, India, to participate in the wedding of **Vibhav Parikh, BBA '01**.



Vibhav Parikh (left) and George Siedel at Parikh's home in India.

Siedel became familiar with a capstone research course as a student attending the College of Wooster, a longtime national leader in providing undergraduate students with an in-depth research experience, and he became acquainted with the tutorial system as a graduate student and visiting faculty member at Cambridge University.

"The Senior Seminar generates unbounded enthusiasm for research," says Siedel, recalling two

students who went on a spring break cruise and spent hours comparing notes on their theses. Their annoyed travel companions finally made three topics off limits: politics, former boyfriends and senior theses.

"I've had students tell me, 'Once I get into the research, I can't stop reading.' This is an unusual complaint for seniors," says Siedel, who has taught for 28 years at the Business School.

In 1993–96, the University of Michigan Board of Regents recognized Siedel as an Arthur Thurnau Professor for his outstanding teaching. He also held a Distinguished Chair in the Humanities and Social Sciences in the Fulbright Scholar Program in 2001 and has served as a visiting professor at Stanford and Harvard business schools.

In addition to the Senior Seminar, Siedel teaches the MBA Negotiation and Dispute Resolution course, co-directs the Executive Program for senior managers and directs the nine-week MBA Essentials Program for a major consulting firm.

Siedel encourages Senior Seminar students to think big, to do something that will have an impact beyond the walls of the Business School, and cites some distinguished role models, including John F. Kennedy, who began *Profiles in Courage* as a senior thesis at Harvard.

"It is important for students to have a broader view of the world. The business community is telling us the same thing. We want students to think more broadly. The Senior Seminar is helping achieve that goal," Siedel says.

text, the *Bhagavad-Gita*, to develop a model for making ethical decisions and applied the model to modern business cases.



Raj Ramanan

"Researching and writing my thesis was particularly enjoyable and important to me, since it was a chance to further explore my religion. What grew out of this was a framework for ethical decision-making. Businesses often 'enforce' ethics through process controls, management oversight, etc. Every system has a loophole, as evidenced by the scandals at Enron and WorldCom. Worse, while most people behave ethically when confronted with blatantly right or wrong decisions, most also lack direction or clarity around 'gray area' decisions. To consistently have ethical performance, an internalized code of ethics is necessary. Then, when confronted with a dilemma—such as the chance for personal enrichment by exploiting a gray area loophole or bending the rules—one can avoid the temptation by applying such a model to one's decision-making," Ramanan says.

Other lessons learned—research skills, writing, oral presentations, self-discipline, time management and how to work independently—also have

helped him in the work environment, explains Ramanan, a 2000 Rhodes Scholar finalist and winner of the first Arthur F. Southwick Award, which recognizes the top senior thesis. The award is named in honor of the late **Professor Emeritus Arthur F. Southwick, MBA '50**, who taught at the University from 1956 until he retired in 1990. Two hallmarks of Southwick's career were his concern for students and his emphasis on high-quality research.

"In addition to learning from my own thesis," Ramanan says, "I learned from the other students' presentations. It was a perfect way to end my time at Michigan."

Senior Seminar graduates reap benefits from their research and that of their classmates long after graduation. Shortly after joining Bear Stearns, a New York investment bank, as an analyst, **Laura Kennedy, BBA '01**, learned that a client was considering acquiring a baseball team. She remembered classmate **Marcus Badger's** thesis "How Major League Baseball's Economic Policies Affect Franchise Profitability, Revenue Disparities and Competitive Imbalance" and drew on it for background information.



Leena Ray

For **Leena Ray, BBA '02**, an analyst at American Express, the Senior Seminar was an opportunity to research how conventional measures of intelligence fail to serve society's pool of human capital in various cycles of life. "I started with an interest in how incentives work in education and in business. I met a lot with Professor Siedel, who helped me organize my ideas. He encouraged us to outline even if we didn't ultimately follow the outline. He wanted us to get our thoughts on paper," Ray recalls.

Siedel encourages Senior Seminar students to think big, to do something that will have an impact beyond the walls of the Business School.

"At a large school like Michigan, you can feel invisible, that your work is not essential or you're being asked to regurgitate information. The ability to do original research as an undergraduate at a university like Michigan is really a rare, valuable and empowering opportunity. Despite the fact that I worked more actual hours than a six-credit course, I was reading and writing information of great interest to me so it was not at all painful," says Ray, a Southwick Award co-winner.

Peer-to-peer advising—an integral part of the Senior Seminar—was a huge plus for **Tracey Finlayson, BBA '00**. "You learn so much from other students," she says. Finlayson, who has been playing piano since she was five, combined her love of music and business in her thesis titled "Building Effective Corporate Strategies by Using Jazz Improvisation Tools in Day-to-Day Business Operations."



Rick Dinonon

Tracey Finlayson

Today, Finlayson applies improvisation skills—flexibility, adaptability and creativity—in her fast-paced sales position at Pfizer Inc., where she says, "I have to be flexible and adapt to the competition and to surroundings." Finlayson, who will represent Redford-Wayne County, Michigan, in the Miss America Scholarship Program in June, also recalls the tremendous sense of accomplishment she felt upon completing her thesis, "knowing you completed it independently and had built on the self-discipline already developed at the Business School."

For **Daniel M. Schwartz, BBA '01**, who was in the Honors Program in Michigan's College of Literature, Science and the Arts before transferring to the Business School, the Senior Seminar was an opportunity to learn about political science—a subject he had not previously studied. His thesis, "The Presidential Product: A Case for Political Brand Management," stemmed from a fascination with marketing and consumer behavior and a budding interest in political science. Schwartz used a brand management/marketing framework to look at the 2000 presidential campaign to see where the candidates succeeded and failed. "It was a great

Senior Seminar's 10th Anniversary

course, a lot of work. You had to really enjoy your subject," Schwartz says.

Although Schwartz isn't doing a lot of marketing as an associate consultant at Bain & Company Inc., writing the senior thesis—including sorting and tracking massive amounts of information—provided valuable experience upon which he continues to draw.

Business and politics also intrigue **Tom Panoff, BBA '00**, who studied how lobbying techniques changed over 30 years. In his thesis, "Political Lobbying by Corporations: A Description and Analysis of the Shift from Personal Relationships to Massive Grassroots Coalitions," Panoff examined corporate political strategy and how government affects business. He documented a shift from direct lobbying in the 1970s to increased use of grassroots coalitions to influence government leaders and looks

forward eventually to working with corporations and government to improve the lobbying process.

For Panoff, "The experience of working with so many people who are extraordinarily driven, to see the ambition they had and to learn from them" was powerful. "The peer exposure—classmates served as role models—has helped a lot, especially as preparation for law school," says Panoff, now in his second year at Harvard Law School.

Jamie Rose, BBA '01, is a marketing manager at the American Express Company, where she works closely with another Senior Seminar graduate, **Sarah Hoople, BBA '02**. Rose is one of several Senior Seminar students who combined business with an interest in medicine or medical ethics. Of her thesis topic, "Conflicts of Interest in Corporate-sponsored Academic Medical Research: Who Is Responsible for Protecting the Public?" Rose says, "I couldn't learn enough. I looked at it from every angle and devoted a lot of time to the paper. On Saturday afternoons, when most of my friends were watching TV, I was working on it. But it was worth all the time and effort."

The summer after graduation, Rose presented her thesis at the Academy of Legal Studies in Business in Albuquerque, New Mexico. Her paper also was published in the meeting proceedings.

One of the lasting lessons Rose learned from the seminar is, "There are many sides to every story, and when you take time to examine a situation from every angle, you begin to see that the broader picture is much more complicated than you initially realized. The seminar, and especially my topic, taught me there is tremendous value in looking at and understanding a situation from every angle and not making the easy judgments that seem so obvious at first."



Jamie Rose

The Senior Seminar provided the avenue for **Vibhav Parikh, BBA '01**, an investment banker with ICICI Securities in Bombay, to pursue two academic interests about which he is passionate—business and Indian history. In his thesis "Corporate Gandhianism," Parikh concluded that Gandhi's theories, laid down more than 50 years ago, still have currency. "A lot of theories are rendered outdated with time but his theories are very applicable to solving complex problems. I proved this by using four case studies," explains Parikh, whose thesis is featured on the Gandhi family Web site at <http://www.mahatma.org.in/publish/publish.jsp?link=pu&cat=publish>.

In one of the case studies, Parikh applied Gandhi's teachings to sexual harassment at a Wall Street brokerage firm, where, over the years, women had filed several complaints with upper management about pay inequities, lack of promotional opportunities and a demeaning environment. Gandhi, Parikh says, believed in the essential oneness of humanity, that men and women share the same soul, the same life and the same basic human feelings. "Treating women unequally, Gandhi would argue, amounts to undermining one's own Atman (Self), undermining the absolute Truth," wrote



Tom Panoff

Parikh, who thinks that Gandhi would recommend the following measures:

- Free the women at the firm from their mental servitude by “making the women active and self-conscious change agents by drawing them into the higher echelons of management, entrusting greater responsibilities and

The BBA Senior Seminar, like frosting on a two-layer cake, brings together what students learn during their first two years in the College of Literature, Science and the Arts and their second two years in the Business School.

involving them in the process of formulating and executing strategies.”

- Launch programs to change the firm’s culture to ensure a safer, more

Undergraduate Research Requires Intense Supervision and Faculty Support, Says Wharton Vice Dean

After serving as a visiting professor at the University of Michigan Business School in spring 2000 and becoming aware of the BBA Senior Seminar, Thomas W. Dunfee, vice dean and director of the Wharton Undergraduate Division of The Wharton School at the University of Pennsylvania, sought to expand Wharton’s offerings in this area.



Marcia L. Ledford

Professor George Siedel

“We offer a year-long seminar for our Joseph Wharton Scholars, which involves presentations by many of our leading faculty concerning their own research in the fall, and then the students do a major paper in the spring semester,” Dunfee explains. “We are now seeking to expand this with more faculty involved in direct supervision of student research projects.”

“I was very impressed with the course at Michigan, particularly as to the amount of direct and detailed supervision that Professor Siedel provides. You can’t just show students examples of research and expect them to go out and conduct quality research. Intense supervision and support are required,” Dunfee says.

In 1998, the Boyer Commission on Educating Undergraduates delivered a stinging critique of the undergraduate experience at American research universities. The commission concluded: “America’s research universities have been superbly successful; in ways innumerable and immeasurable they have been the wellsprings of national stature and achievement. But in the education of undergraduates, the record has been one of inadequacy, even failure. In a context of increasing stress—declining governmental support, increased costs, mounting outside criticism and growing consumerism from students and their families—universities too often continue to behave with complacency, indifference or forgetfulness toward that constituency whose support is vital to the academic enterprise.”

The Boyer Commission recommended that universities undertake a number of actions to improve undergraduate education, including encouraging interdisciplinary coursework, linking communication skills and courses, cultivating a sense of community and requiring students to do “a major project and utilize to the fullest the research and communication skills learned in the previous semesters” in their final semesters.

The BBA Senior Seminar does this and more, asserts Siedel, who compares the first two years in the College of Literature, Science and the Arts and the junior and senior years in the Business School to a two-layer cake. The BBA Senior Seminar integrates the two layers by bringing together what students learn from the liberal arts and science and their business coursework, providing a coherency to the undergraduate years. It also helps prepare undergraduates for graduate work and the workplace, and encourages collaborative efforts among baccalaureate students—other ideals promoted by the Boyer Commission.



Vibhav Parikh

congenial workplace for women. Parikh wrote: "Gandhi always believed that no human being, however malicious, was irredeemable. Sustained, gentle moral persuasion was the indispensable, and most appropriate, technique to transform

the evildoer into a finer and more spiritually elevated human being."

- Pay women and men equally for equal work. "Gandhi strongly opposed any difference between men and women's compensation, which he described as arbitrary and unjustified. He endorsed the principle of equal compensation for equal work and was in favor of enacting legislative measures to implement it," Parikh notes.

Parikh chose this study case because of the ubiquity of gender discrimination, which illustrates the modern-day applicability of Gandhi's thoughts. "Some of Gandhi's thoughts, especially on discrimination and inequality, are universally applicable and eternal," he says.

Rich Carona, BBA '01, the 2001 Southwick recipient, wrote his thesis on the implications of Andrew Carnegie's giving for the American "philanthroc-

racy" (the emerging class of young, wealthy, influential and socially ambitious business leaders). He and two other Senior Seminar alumni—**Chase Chavin, BBA '01**, and **Jonathan Wang, BBA '02**—work as analysts for Goldman, Sachs & Company in New York.

Carona wrote shortly after graduation: "The benefits advertised by the course description surely became realized. I learned about a new subject, became better friends with talented and interesting peers, improved my writing, and integrated liberal arts and business coursework. But most important, I discovered the not-advertised truth that learning is most rewarding outside a structured environment, where one can control the subject matter, uncover knowledge independently and synthesize research in new and creative ways. This discovery is undoubtedly the most valuable of my academic career. Especially now that college has ended, it provides comfort knowing that for me learning will be a life-long process, not one that ceased a few weekends ago."

Ten years after graduation, Anmuth recalls the first BBA Senior Seminar class as a congenial group. "Students weren't competing for test scores and grades. We weren't graded on a curve. The only competition was to see who could learn the most about his or her topic and do the best job on the chosen topic.

"It was up to the student to be motivated, to do the work," recalls Anmuth, who received many accolades at Michigan and who now serves on the Business School's Alumni Society Board of Governors and on the National Foundation for Teaching Entrepreneurship New York Advisory Board. "We received no grade the first semester. It all came down to one paper for six credits. It was a great class for exercising discipline."

Students Sharpen Research Skills

Senior Seminar students work closely with a senior faculty adviser to develop their thesis topic. Among other perks that help differentiate the Senior Seminar from traditional lecture classes are:

- Special training in library research, as well as assistance from librarians who work one-on-one with Senior Seminar students. This year, for the first time, a customized Web page lists specific resources relevant to each project.
- Guidance from writing consultants. "The goal," George J. Siedel says, "is to give students a final opportunity for critical feedback on their writing. They need to write in a style that is direct, clear and organized."
- Opportunities to network with faculty at other business schools, authors and experts across the country.
- Special presentations, including a lecture on ethics by Tim Fort, associate professor of business law, and an off-the-record panel discussion featuring international executives speaking candidly about the ups and downs of being a general manager. This year, executives from North and South America, Europe and Asia who were attending the Executive Program provided students with candid insights into the concerns that keep them awake at night.

2003 Thesis Topics Run the Gamut, from Harry Potter's Leadership Style to War



Kimberly Harris
"Don't Break the Glass, Shatter It: A Woman's Guide to Increasing Female Leadership in Corporate America."



Cindy Wilson
"Learning from a Wizard: Harry Potter As a Leader."



Imran Ali
"Of Conquest and Commerce: A Model for Building Empires and Businesses."



Amber Ward
"The Business Practices and Leadership Styles of America's CEOs Today and a Generation Ago."



Jodi Goodman
"Crisis Management: The Art of Dealing with Crises."



Ronald Yiu
"Understanding Career Satisfaction."



Photos by Marcia L. Laufford

Lindsey Scrase

Senior Mines Alumni Network

Occasionally, Business School alumni are subjects for BBA Senior Seminar research.

For her thesis, "A Psychological Profile of Business Leadership," Lindsey Scrase studied what personality types are successful in business. Her goal: To develop a model to help students determine what part of business would best suit them.

Scrase's project included a study of personality types of business leaders and business school students. She completed personality profiles for 175 Business School graduates who are now, or have been, business leaders. "The alumni network was invaluable in my research, and I am extremely grateful for everyone who assisted me," Scrase says.

Here is a sampling of other thesis topics pursued by members of the BBA Class of 2003.

- "Influencer Marketing: How to Effectively Communicate with Your Consumers in the New Millennium." Nikki Baker.
- "The Entrepreneurial Spirit: A Casualty of Privilege." Ron Bellamy.
- "War and Hostile Interaction in Business." Manu Diwaker.
- "The Economic Impact of Agricultural Biotechnology." Eric Frank.
- "Family Business: Successful Succession from One Generation to the Next." Mony Grewal.
- "The Influence of Socially Responsible Investing on Portfolio Return." Carl Hasselbarth.
- "The Power of Reciprocity in Insider Trading Cases." Chris Koranda.

PUBLIC AND PRIVATE MONITORING

Will New Regulations to Protect Shareholders Rebuild Trust Or Chill Growth?

First, there was the runaway bull market. Then there were the high-profile cases of corporate malfeasance that devastated investors' trust. And now there are reforms targeting corporate fraud and conflicts of interest.

The Sarbanes-Oxley Act that President Bush signed into law in July, for example, holds CEOs criminally liable if their companies issue a misleading financial report. Also, chief executives are now required to disclose off-balance sheet transactions and are prohibited from taking loans from their companies. And corporations must promptly report significant changes in their financial condition, not wait for the next quarterly statement.

"We've come off the busiest stretch of rulemaking in SEC history," said Elizabeth Murphy, who heads the rulemaking office in the Division of Corporation Finance at the Securities and Exchange Commission. She was at the University of Michigan Business School on January 31 for a session on monitoring corporate governance and financial disclosure during the Louis and Myrtle Moskowitz Symposium on Resilient Capitalism.

More than 350 business and community leaders, faculty and students participated in the symposium, sponsored by the Business School and Michigan's Law School. Other panels focused on corporate disclosure and on the relationship between corporate culture and ethics. Larry D. Thompson, Deputy Attorney General with the U.S. Department of Justice since 2001, shared his views on how to curb economic fraud in the



Robert E. Litan, Meredith Miller and Michael Barr were among the academics and representatives of private and institutional investors who discussed the role of gatekeepers such as federal regulators, underwriters and brokers, analysts and institutional investors in ensuring honest corporate accounting.

symposium's keynote address. The symposium, organized by Raymond R. Reilly, associate dean for executive education, is an example of Dean Robert J. Dolan's desire for the Business School to address major issues facing business and our society.

Do new regulations go far enough to protect shareholders and rebuild trust in corporate America? Or are they so restrictive

they will chill the entrepreneurial risk-taking that fuels innovation and growth?

Robert Litan, vice president and director of the Economic Studies Program at the Brookings Institution, said the spate of corporate scandals resulted from inadequate oversight, not weak regulations. “The failure is not in the standards, it’s in the enforcement,” Litan said. “We had a massive failure in monitoring.”

Auditors, boards of directors, the markets, investors, analysts, the accounting industry, state and federal regulators—“They all failed,” Litan said.

Michael Emen, who oversees the NASDAQ’s Listing Qualifications Department, agreed. “What’s happened now is you’ve had catastrophic fraud...and a breakdown across all the gatekeepers.”

Emen is concerned this failure is spawning excessive regulation that will burden small companies and hamstring hon-

est ones—but do nothing to rein in firms that are intent on getting around the law. “There’s always going to be fraud,” he said. “All the rules in the world won’t prevent people from engaging in criminal wrongdoing.”

Aggressive enforcement is critical, Emen said, citing the NASDAQ’s record of oversight: “In the last three years, approximately 700 companies have been delisted from NASDAQ,” he said.

Murphy, however, said that for more than 20 years the SEC has conducted only a selective review of corporate financial documents due to limited resources. Even with today’s tougher regu-

lations and a bigger budget, she said, “There are significant limits to our authority to directly regulate corporate governance matters.”

Litan said he supports more funding for SEC enforcement activities and requiring companies to disclose material information in “real-time” to eliminate the manipulation of earnings announcements.

He also questioned the value of proposals that would require companies to periodically change auditors—as a way to increase oversight—and prohibit accounting firms from providing a client both auditing and non-auditing services—

to reduce the temptation to abet fraud in order to retain lucrative consulting contracts. Accountants may “cave in to management” to protect auditing revenues even when other fees are not in play, Litan said, and the value of rotating auditors is questionable when “you only have four (major) accounting firms.”

Meredith Miller, assistant treasurer for policy, Office of the Connecticut State Treasurer, which manages a \$17 billion pension fund, said activist shareholders and institutional investors can play a big role in monitoring corporate behavior and pressuring the SEC and other regulatory agencies. Miller said her department has championed proxy votes at numerous

Moskowitz Gift Supports Business and Law

The Louis and Myrtle Moskowitz Symposium on Resilient Capitalism recognizes the importance of collaborative work in the critical fields of business and law.

Established in 1989 by Republic National Bank of New York (now HSBC Bank USA), the Louis and Myrtle Moskowitz Research Professorship at the University provides a cornerstone for joint endeavors in the areas of law, economics and finance. The professorship honors former Republic National Bank Chairman Louis Moskowitz and the memory of his wife Myrtle Moskowitz.

Ann Moskowitz, daughter of Louis and Myrtle Moskowitz, said of the symposium, “This is one of the finest I’ve been to.”

In addition to conferences focusing on the intersection of law and business, the Moskowitz endowment supports the work of a law professor and a business professor chosen by the deans of the two schools.

Three Business School faculty members have held the professorship: Cindy Schipani, professor of business law; Scott E. Masten, professor of business economics and public policy; and Lynda J. Oswald, professor of business law. Two Law School faculty members have held the Moskowitz Professorship: James J. White, the Robert A. Sullivan Professor of Law; and Merritt B. Fox, the Alene and Allan F. Smith Professor of Law.



companies—calling for more diverse corporate boards, environmentally friendlier business practices, clearer accounting of stock options, and the separation of auditing and non-auditing activities.

Unlike Litan and Emen, Miller said recent reforms did not go far enough. “Sarbanes-Oxley should be the floor, not the ceiling,” she said. Additional remedies might include prohibiting a person from serving as both CEO and chairman, she added, and requiring boards to include a “super-majority of independent directors.”

Panelists noted that polls show the public believes corruption is widespread when, in fact, it is not. “We really are looking at a small fraction,” Litan said. “The overwhelming, vast majority of companies and their directors are honest.”

Former Business School Dean B. Joseph White offered an apt summation for this discussion in remarks delivered earlier in the symposium: “Mania followed by scandal followed by reform is as American as apple pie,” White said. The debate about whether enacted reform goes far enough, will ruin the nation or is something in between “is an essential means by which we as free people help shape the future of something very precious: the most productive economic and business system ever created by human beings, an absolutely necessary though not, by itself, sufficient condition for us to achieve our individual dreams and fulfill our national destiny.”

Dave Wilkins

Presenting: The Lineup

Thanking the audience and the panelists who participated in the Louis and Myrtle Moskowitz Symposium on Resilient Capitalism, Dean Robert J. Dolan said, “We covered a lot of ground today. I hope this is the beginning of the conversation, not the end.”

Panel on Disclosure:

Robert L. Anthony, partner, PricewaterhouseCoopers LLP
Lester Coleman, executive vice president and chief legal officer, Halliburton Co.
Michael Crooch, member of the Financial Accounting Standards Board
Merritt B. Fox, the Alene and Allan F. Smith Professor of Law, University of Michigan
J. Michael Shepherd, executive vice president and general counsel, Bank of New York
Douglas J. Skinner, the KPMG Professor of Accounting, University of Michigan Business School

Panel on Corporate Culture:

Reuven Avi-Yonah, the Irwin I. Cohn Professor of Law, University of Michigan
Timothy Fort, associate professor of business law, University of Michigan Business School
James Hackett, CEO, Steelcase Inc.
Joshua Margolis, assistant professor of business administration, Harvard Business School
Richard W. Painter, professor of law, University of Illinois College of Law

Panel on Public and Private Monitoring:

Michael S. Barr, assistant professor of law, University of Michigan

Gerald Davis, professor of organizational behavior and human resource management, University of Michigan Business School
Michael Emen, senior vice president, NASDAQ Listing Qualifications Department
Robert Litan, vice president, Economic Studies, The Brookings Institution
Meredith Miller, assistant treasurer for policy, Office of the Connecticut State Treasurer
Elizabeth M. Murphy, chief, Office of Rulemaking, Division of Corporation Finance, U.S. Securities & Exchange Commission
Adam C. Pritchard, assistant professor of law, University of Michigan



Robert L. Anthony, Lester Coleman and Douglas J. Skinner offered their post-Enron perspectives on corporate reporting and discussed ways to increase investor confidence in the market. Summarizing the discussion, Skinner concluded there is no simple solution. In the end, accurate, honest accounting depends on the integrity of management.

UNDERPINNINGS OF UNETHICAL BEHAVIOR

Corporate Culture: Why Good Businesses Go Bad

It has proven easier for society to address the legalistic aspects of the recent string of business scandals—such as corporate governance and regulatory oversight—than the psychological underpinnings of unethical corporate behavior, notes Joshua Margolis of the Harvard Business School.

Margolis, who participated in a panel discussion on corporate culture at the Louis and Myrtle Moskowitz Symposium on Resilient Capitalism at the University of Michigan Business School on January 31, said, “We construe human beings as billiard balls buffeted about by forces beyond their control,” and we disregard the capacity people have to influence outcomes through rational deliberations and creative action. That’s an important distinction, according to Margolis, because a manager’s behavior depends upon whether he or she perceives him or herself as a victim of uncontrollable forces—that is, a billiard ball—or capable of having an impact on complex situations.

A corporate culture that rewards specific outcomes, penalizes others and establishes a “perform or else” ethos creates managers who see themselves with limited options and control, panelists said. And that outlook allows them to justify unethical actions as the only course that will achieve their specific objectives—such as reaching quarterly revenue expectations or an ever higher share price.

“The best way to distort behavior is to tie strong incentives to a single objective and have people publicly commit to that overriding objective,” Margolis said. “If we want to see people engage in misconduct—to pursue that objective, even if it means doing wrong—that’s the way to do it.”

Researchers at Notre Dame and Northwestern universities have shown that the threat of penalty also can distort behavior,

Margolis said. Penalties suggest to people they are involved in a competitive game—and induce them to circumvent the guidelines in their “desire to outsmart the game, and win.”

Another factor affecting corporate ethics, he said, is an American business culture that mythologizes what his colleague Rakesh Khurana calls “charismatic CEOs”—those celebrity figures whose mere presence can sustain investors’ irrational faith in an ever-rising share price.

Business schools also may unwittingly contribute to the unbalanced focus on share price alone. Margolis cited an Aspen Institute survey that asked graduates to identify a company’s top priority. Three-fourths of the respondents said it was to create shareholder value. If business school



James P. Hackett (left), Reuven S. Avi-Yonah, Joshua Margolis and Richard Painter were among the panelists who discussed corporate culture and ethics.

graduates learn to see themselves as creative actors capable of responding to complex situations, Margolis suggested, rather than as slaves to shareholder value, they may be better equipped to build and sustain healthy companies that satisfy economic objectives while adhering to ethical ideals.

On the positive side, Reuven Avi-Yonah, the Irwin I. Cohn Professor of Law at the University of Michigan, said he sees a positive trend in corporate social responsibility. Traditionally, Avi-Yonah said, companies supported social causes when they believed it would help their bottom line. That sentiment is shifting, he said, as companies see the intrinsic value in social activism and acknowledge they are the only entities with the resources to tackle certain issues.

Steelcase CEO James P. Hackett talked about the ethical questions corporate leaders routinely wrestle with and the unanticipated impact their decisions can have. He also stressed the importance of developing a diverse workforce, particularly for companies such as Steelcase that do business all over the world. “The role of diversity in business is something we achieve over time,” Hackett said. “Equity is a pursuit.”

Richard W. Painter, professor of law at the University of Illinois College of Law, recounted unsuccessful efforts working within the American Bar Association (ABA) to strengthen ethics rules. In 2002, Painter persuaded Congress, in the Sarbanes-Oxley Act, to amend the securities laws to require the SEC to set professional responsibility standards for securities lawyers because state ethics rules, based on the ABA standards, have been insufficient.

Lawyers and other professionals must figure out their values in life and bring their professional lives in line with those values, Painter said. “There is a differing idea of right and wrong out there.”

In the end, panelists said, a company’s culture reflects the actions of its leaders. “If (a company’s values) start to deteriorate, it’s a struggle every day,” Hackett said. “We see ourselves as stewards for something bigger than ourselves. (Steelcase has) been around for 85 years, and I’m going to be here a very short time. My goal is not to screw it up.”

Dave Wilkins

Thompson: Scandals Hurt Main Street and Wall Street

Regulations alone will not deter white-collar criminals, says Deputy U.S. Attorney General Larry D. Thompson. The 1974 graduate of the University of Michigan Law School and head of the President’s Corporate Fraud Task Force gave the keynote address at the Louis and Myrtle Moskowitz Symposium on Resilient Capitalism.

The Justice Department’s job, Thompson said, is to concentrate on corrupt businesses and to send the guilty to jail for a long time. “Our task at the Department of Justice is to convince people the consequences of wrongdoing are severe and virtually certain,” Thompson said. Corporate scandals “hurt Main Street as well as Wall Street.”

Thompson reported that the task force’s work has led to more than 130 investigations, the filing of more than 160 charges and 50 convictions since it began its work last July.

Business scandals are not new, Thompson said, citing savings and loan association bankruptcies 10 years ago, insider trader scandals two decades ago, earlier junk bond scandals and “real estate scams that marked the dawn of our republic.

“America has overcome each of these jolts. Each scandal has brought better rules,” he asserted. Noting the deterrent value of prosecutions and the limitations of relying too much on regulations, Thompson said that following each wave of scandal, “Regulations expand to encompass every possible abuse—except the next one.”



In his keynote address, Deputy U.S. Attorney General Larry D. Thompson noted that after scandal, “Regulations expand to encompass every possible abuse—except the next one.”



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We hope to see you back at the Business School this fall!

Madeleine Albright Addresses Alumni

SOUND CORPORATE PRACTICES HELP COUNTRIES THRIVE

Editor's Note: The link between sound business practices, capitalism and democratic ideals also was addressed at the 2002 Annual Business Conference held last fall, which served as a prelude to the Louis and Myrtle Moskowitz Symposium on Resilient Capitalism.

The greatest resource a country can have is not oil or minerals or even a deep water port, says former Secretary of State Madeleine K. Albright. It's a combination of first-class bankers and topnotch bureaucrats.

Speaking to more than 400 alumni who attended the Business School's 2002 Annual Business Conference, Albright added, "Show me a country with sound financial management, a tradition of best corporate practices, government accountability and an active and informed citizenry, and I will show you a country that is succeeding, whether or not it is blessed in other ways."

Albright, the highest-ranking woman in the history of the U.S. government and the first Distinguished Scholar of the William Davidson Institute, said one reason she is pleased to be affiliated with the Business School is because of its role in teaching sound corporate practices, here and overseas.

A country that runs its finances with transparency, accountability and integrity is going to attract investment. Investment leads to development and development is the path to prosper-



Robert Hochman

Madeleine Albright, the first Distinguished Scholar of the William Davidson Institute, said, "Building democracy is not an event. It is a process requiring patience, faith and an enormous amount of heavy lifting."

ity, she said. "The purpose of investing is to help economies expand, create jobs and build communities while earning a fair rate of return. It is not to support the playboy lifestyle of some dictator's parasitic offspring," Albright added.

"There was a sense of optimism in the 1990s that I don't sense today, and terrorism is only part of the problem," said Albright, assessing America's political landscape, Iraq, Saddam Hussein and North Korea's highly enriched uranium program.

Recalling the euphoria associated with the toppling of the Berlin Wall a decade ago, Albright said, "We're in a new phase of hard work and tough choices. Building democracy is not an event. It is a process requiring patience, faith and an enormous amount of heavy lifting."

The United States has been given a historic opportunity to consolidate democratic gains and establish freedom as a system of choice for more of the world's people. To be successful, "We must come together across every boundary of nationality and profession to help democratic governments deliver on the promise of a richer and more rewarding life for its citizens."

Albright offered four guiding principles:

First, direction, not perfection, matters when promoting democracy. We must help countries at every stage of

development, encouraging and assisting them as long as they continue to advance along the democratic path. “This is exactly what the William Davidson Institute is doing through its work in Uzbekistan and elsewhere in Central Asia and through its efforts to develop and apply a new model for turning the corner of poverty around the world.”

Second, we must be serious and consistent in supporting democratic ideals, including constitutional procedures and the rule of law, even when it is not convenient to do so. In the long run, we cannot beat terror by aligning ourselves with non-democratic regimes in Central and South Asia or by failing to press for democracy in the Middle East.

“It is also wrong to suggest that democracy and Islam are somehow incompatible.” Albright cited a poll in *The Economist*, which found that 83 percent of Western Christians and 85 percent of Muslims say they approve of democratic ideals. More than half of the Arabs surveyed said they approve of American freedom and democracy, although fewer than 10 percent approve of American policies.

“One reason for the difference,” Albright said, “is our perceived support for undemocratic Arab regimes. The time has come to shift direction, perhaps not radically but gradually, to let Arabs, including Arab women, know that we support their aspirations for freedom.”

Third, we all have a stake in helping democratic governments succeed. “We cannot allow democracy to become a synonym for economic failure and political chaos, corruption and the vast disparities between the rich and the poor,” she added, citing the long and growing list of democracies in trouble, from Argentina, Brazil and Venezuela to Indonesia, Nigeria and the Ukraine.

Fourth, economic development is not a gift the relatively rich bestow upon the relatively poor. It is something the rich and poor must strive for together for the benefit of both, said Albright,

Thanks to the
scholarly work of
experts at the
**WILLIAM DAVIDSON
INSTITUTE** and
elsewhere, Albright
said, we know how
to nurture
democracies.

adding, “I say this because poverty, desperation and disease comprise the axis of evil.”

Thanks to the scholarly work of experts at the William Davidson Institute and elsewhere, Albright said, we know how to nurture democracies. We have learned:

- To emphasize the empowerment of women, the importance of microenterprise and the value of giving to the poorest as a way to build economic health in their various communities.
- To channel funding through non-governmental institutions, including those dedicated to spreading the gospel of free enterprise, fair worker standards and civil society.

- That support for basic education for every girl and boy is perhaps the most important building block of human progress.

“The challenge we face,” Albright said, “is to build a foundation for freedom and prosperity that is solid, true and broad enough to encompass the aspirations of people everywhere. This is not a job for America alone and for governments alone or for people from only one part of the globe. It is a responsibility broadly shared in which the business and academic communities have a pivotal role to play.”

The blur of daily events makes it difficult to track the currents that are steadily shaping and reshaping the landscape of world affairs, Albright noted. “We might well lose our way except that we are guided by a constant star. The genius of democracy is not based on some esoteric theory but rather on a very simple premise that every individual counts.”

Albright concluded with an invitation to audience members to work together “to spread knowledge, establish partnerships and build networks that will strengthen democratic forces and create successful democratic institutions around the world. I say this because I believe so deeply in the democratic promise; and because when you fight for democracy, you are sure to meet some really great people along the way.”

Mary Jo Frank



Photo left—Lillian Preston, MBA '95
Photos top to bottom right—Greg Hall, MBA '95; Brian Ringel, son of Janice Ringel, BBA '88; Harry McElroy, MBA '78; and Professor Lee Danielson, PhD, '56, AM '49.



CREATING SPECTACULAR Performance at Work

“Positive organizational scholarship” took center stage at the 2002 Business Conference as pioneers in this relatively new academic field explained to eager alumni the dynamics that foster extraordinary performance, in individuals and organizations.

Jane E. Dutton, the William Russell Kelly Professor of Business Administration, professor of psychology and one of the presenters of “Creating Spectacular Performance at Work,” explained that positive organizational scholarship investigates “virtuous elements” in organizations—qualities such as compassion, forgiveness, dignity, respectful encounters, optimism, integrity and wisdom. The University of Michigan is a leader in research on creating organizations that thrive and enable humans to flourish, Dutton said.

In the fast-paced, sometimes raucous session, presenters offered tips on ways to find an organization that makes you thrive, to create affirming relationships at work, to write and use a life statement to make decisions, and to build on positive emotions.

Joining Dutton in teaching the course were Kim S. Cameron, professor of organizational behavior and human resource management; Barbara Fredrickson, associate professor of psychology and faculty associate at the Research Center for Group Dynamics; Robert E. Quinn, the M.E. Tracy Professor of Organizational



Kevin Gilligan, MBA '91, and Donald Patterson, MBA '97

Behavior and Human Resource Management; and Gretchen Spreitzer, clinical professor of organizational behavior and human resource management.

Alumni participated in several exercises, including one in which they were asked to recall three stories of high performance at work—a time when they had experienced a high level of success—and to share characteristics common to those experiences with another person in the room. Each person has a unique “high-performance profile,” explained Quinn, who suggested focusing on the qualities that comprise one’s best self. “We create our greatest value when we’re using our unique skills,” he said.

Organizations also benefit when leaders reflect on previous peak experiences, Cameron said, and repeat or perpetuate factors that created the vitality and positive energy. Within organizations, virtuousness—forgiveness, compassion, hope and optimism—and performance are positively related. “It really does pay off,” Cameron said.

Fredrickson, who won the first Templeton Prize in Positive Psychology in 2000 for her original research on how positive emotions cultivate and build on strengths, presented her “broaden-and-build” theory of positive emotions.

Positive emotions—amusement, awe/wonder, compassion, contentment/serenity, elevation, gratitude, hope, joy,

love and pride—produce well-being, Fredrickson said, adding, “When we experience positive emotions, our thinking styles are broadened.

“Thinking in terms of ‘we’ instead of ‘me’ helps undo lingering negative emotions and fuels resilient coping,” Fredrickson said; and, over time, positive emotions prevent depression, trigger growth and optimal functioning to increase well-being, optimism, tranquility and resilience.

Positive emotions, especially when experienced and expressed by leaders, are contagious, transforming individuals and organizations, Fredrickson said.

Positive emotions promote altruism, which in turn creates pride in givers, gratitude in recipients and an elevated spirit in onlookers.

Focusing on the positive meaning of everyday events and developing relaxation practices are two ways to cultivate positive emotions, explained Fredrickson, who added, “Think of positive emotions as the icing on the cake. They are a way we generate self-growth and development.”

Everyone must follow his or her own path to excellence by concentrating on unique talents, Spreitzer said. “Improving areas of weakness will



Charles Ferguson, MBA '89, and his daughter Rachel Ferguson register with Alumni Relations staff member Matt Gaston.

Save the Date

Reunion 2003, scheduled October 17–19, will be a weekend filled with opportunities to renew ties with classmates and faculty, to meet current students and to learn more about the Business School, says Alumni Relations Director Ann LaCivita.

Last year's reunion attracted a record 1,302 guests, including 468 who attended the Annual Business Conference.

Reunion 2003 festivities will begin with a day-long Annual Business Conference on Friday, featuring workshops led by Michigan's top-ranked faculty, alumni and leading business professionals. Other highlights include the school's traditional Saturday morning tailgate with entertainment for all ages followed by Michigan's homecoming football game with Illinois, as well as special celebrations for the anniversary classes of 1953, 1963, 1978, 1983, 1993, 1998 and 2002.



Robert E. Quinn

only get you part of the way to excellence,” she asserted.

Becoming your best doesn't happen by chance and isn't the result of coercion by others. It involves a personal decision to become your best and courage to break out of your comfort zone and requires an empowered approach to life, said Spreitzer, who, along with Quinn, co-authored *A Company of Leaders: Five Disciplines for Unleashing the Power in Your Workforce*, which provides stories, frameworks and tools to unleash personal power in the workplace.

For more about *A Company of Leaders* or other books in the University of Michigan Business School Management Series, see www.umbsbooks.com. Essays about how organizations foster human strength and resiliency in employees, facilitate healing and restoration, and cultivate extraordinary individual and organizational performance, can be found on the Business School's “Leading In Trying Times” Web site at www.bus.umich.edu/FacultyResearch/Research/TryingTimes/.

CREDIBILITY: Enhancing Your Style

You've seen them—people who simply ooze confidence and authority. People who at meetings or presentations bring everyone in the room on board. Maybe it's their command of facts, or their vision or their swift decisions. Maybe it's the self-assured timbre of their voice or their inviting eye contact. Whatever the source, the combined effect of their characteristics adds up to credibility.

Although it seems that some people are lucky enough to be born with it, credibility isn't some ineffable quality the rest of us can only envy, says Anne Harrington, director of instructional development and lecturer in business communications at the Business School, who shared strategies for enhancing credibility at the 2002 Annual Business Conference.

"Credibility is a perceived quality," says Harrington. "But there are shared attributes." To increase credibility, Harrington suggests:

- Change vocal inflections so your voice doesn't fall into a sleep-inducing monotone.
- Speak in a "fluent, moderately fast pace," the cultural norm for credibility in the United States.
- Engage others with eye contact and facial expressions.



Robert Treachman

Anne Harrington offers tips to increase credibility.

- Gesture and move around the room—but keep it under control because too much movement is distracting.
- Subtly weave in references to your expertise: *From my 20 years as a vice president with Kodak, I've seen that...*
- Use active verbs—"things that crunch and slide and squirt"—a great strategy for speakers whose natural styles tend to the more reserved.

Some people transcend surface credibility to reach a deep level where enthusiasm becomes enduring passion, expertise becomes wisdom and sincerity

becomes open authenticity, Harrington explains. Deep credibility is the undeniable authenticity that results when emotional truth blends with factual truth, when speech and actions flow from self-knowledge, self-acceptance and strong beliefs. It involves reflection on who you are and what you have to say. Deep credibility is finally the kind of credibility most strive for, but the road to achieving it is harder and longer, Harrington says.

By Mary Jean Babic

PERSONAL Finance

Value-based Balance Sheet Key to Sound Planning

Clients often ask financial planners: What should I invest in today? The question is pointless unless you know the client's overall financial picture, says Raymond R. Reilly, associate dean for executive education and professor of business administration.

In his Business Conference presentation "Charting Your Financial Future," Reilly shared a simple planning strategy to assess your current and future financial position—a plan that helps you move beyond the possible initial shock when assessing your financial health and offers pointers on how to improve.

Reilly encourages developing a financial plan based on ideas, responsibilities, values, goals and dreams. A value-based balance sheet, Reilly emphasizes, is not an accountant's balance sheet. Programs like Quicken and Microsoft Money can be useful tools once a plan is in place, but they aren't a substitute for a plan.

To take care of short-term needs and address long-term goals, Reilly urges you to know your current balance sheet, a document that lists assets, liabilities and equity. The basics of a balance sheet can be drafted in an hour, and Reilly says "a half a day, once a year" should suffice to create and update a balance sheet and to make a fi-



Robert Trechman

Raymond R. Reilly recommends focusing on the big picture.

ancial plan for the coming months. By making an annual appointment with yourself, you will create an easy-to-maintain financial plan that reflects your personal values, family situation and risk tolerance.

One key to creating a solid financial plan is a matching structure to track

assets and liabilities. Reilly recommends starting by using a triangle or pyramid-shaped outline to describe liabilities. At the base of the triangle are the things you must pay for in the future: basic lifestyle requirements, your mortgage, retirement needs and, if you have children, any plans for their education. As

ALUMNI Reunion

you move up the triangle, include items that are less pressing in daily life such as purchasing a vacation home. And at the very top are dreams that would be plain fun—owning a luxury car or traveling around the world.

Once you have described your liabilities, you can create a matching outline for your assets. The base of the asset triangle should be conservative because it is designed to enable payment of your most crucial liabilities. Savings, insurance and low-risk investments are appropriate entries. Employability and earning potential also are assets. As you move up the triangle, assets listed can be more risky, to match the priorities of the liabilities higher on the corresponding triangle.

Once you create your liability and asset triangles, you are on the way to a holistic view of your financial situation. By placing the two triangles side by side, you can compare the difference between your assets and your liabilities: your equity. If the equity is positive, you have some flexibility. If the equity is negative, it is a sign you need to intervene. To change your balance sheet, you will have to do one or more of the following: improve your assets, modify or reduce your liabilities, or alter your risk characteristics.

In the end, Reilly recommends focusing on the big picture: Don't start your financial plan by what you should *do* today, start by knowing where you *are* today. Make sure your actions are part of a plan, not a reaction to immediate circumstances. The result, he promises, will be a clear course for a more secure financial future.

By Kate Remen-Wait

Geoff Wilson, MBA '01, with wife Susan and daughter Mattingly attended the Saturday tailgate.



Robert Treachman



Madison Springgate, daughter of David Springgate, BBA '83, prepares for the game against Iowa. Face painting and balloon art were among tailgate activities that appealed to children of all ages.

FAMILY Business

Taubers Build for Future Generations

“One of the greatest delights of a family business is working with your children, talking with them all the time,” says Joel Tauber, who, along with his son Brian Tauber, shared candid and sometimes differing perspectives on the joys and trials of running a family business at the 2002 Annual Business Conference.

Seventy years ago, Barney Keywell, Joel Tauber’s father-in-law and mentor, and Keywell’s brothers hitched a horse

Joel Tauber’s Life Lessons Learned: A Countdown

10. Be flexible and loyal.
9. Do the right thing.
8. Solve problems one at a time.
7. Remain focused and persevere.
6. Learn from failures.
5. Listen; you don’t learn with your mouth open.
4. Maintain a positive attitude; a can-do attitude is essential.
3. Know yourself; only fools fool themselves.
2. Remember there is more to life than money.
1. Make everyone’s life better.



Marcia L. Ledford

Joel Tauber: “Building together for future generations.”

to a cart and hauled scrap metal to the steel mills in Detroit, launching a family endeavor that has grown over three generations into several privately owned manufacturing businesses generating close to \$1 billion in revenue.

During the four decades that he has been part of the family’s manufacturing business, **Joel Tauber, BBA ’56, JD ’59, MBA ’63**, said he has discovered some guiding principles for the head of a family business, including the importance of integrity, of open and friendly

communication so everyone in the family understands what is happening in the business, and of tolerance. “You also have to go the extra mile,” explained Joel Tauber, who sometimes took less compensation so there would be more for other family members.

Brian Tauber, MBA ’92, JD ’92, part of the family business for six years and now president of one of them, an injection molding company in North Carolina, chose to work for several years—first on Detroit Mayor Dennis

ALUMNI Reunion



Marcia L. Lufford

Brian Tauber: "I didn't have the luxury of switching jobs."

Archer's campaign and then two years in the mayor's office—before joining the family business.

"It was a great experience and helped me get out of the shadow of my dad. I had to have people know me as Brian Tauber," he explained.

As a new manager and the boss' son, Brian Tauber said he soon discovered, "I didn't run into a lot of people who accept you as you are." While some employees worked to ingratiate themselves with him, others were outwardly hostile. When he did come across employees who accepted him as an individual and would level with him, Brian Tauber said, "I held on to them very closely. They became my barometers, giving me a true sense of what was going on."

And when business slumped, the younger Tauber said, "I didn't have the luxury of switching jobs. I had a responsibility to the family. I couldn't walk away. I stuck it out and certainly grew from it."

The dual role of manager and family member requires a family owner to walk the fine line of providing strong

leadership while avoiding the impression of entitlement, Brian Tauber explained.

As the boss' son, he adopted three rules:

1. Treat people with respect and you will win them over.
2. Never, ever, ever complain because no one wants to hear "Richy Rich complain." It erodes respect, partic-

ularly when as a family member you had all the advantages.

3. Put your head down and work as hard as you can. Be the first one in and the last to leave.

During the question-answer session, an alumnus asked what happens if a child doesn't have the skills to excel in the family business or help it thrive?

"All my kids are geniuses," Joel Tauber quipped, quickly acknowledging that each of his three children and two step-children has a different skill set. "I started working with them when they were young so they would have a sense of who they are and their skills. If a family member doesn't have the skills to excel in the business, he must be told so because you can't jeopardize the whole for the individual," he noted.

Joel Tauber added, "Every family has conflicts. Business exacerbates those conflicts. Life has its pains, its ups and downs. Throughout all, you must work very hard to keep your family together and happy. It is difficult, but you are building together for future generations."



Robert Treviñan

Eugenia Copeland, MBA '96 (left); Charles Azu, MBA '97; and Irene Whetstone, spouse of Alumni Board member David Whetstone, attended the 2002 Annual Business Conference.



*Professors C. K. Prahalad and Wayne Brockbank and Dean Robert J. Dolan were featured speakers at an event sponsored by the U-M India Alumni Association (UMIAA), where they met with members of the Business School MBA Class of 1989 and their spouses. Pictured (left to right), Sanjay Reddy and his wife Aparna Reddy; Brockbank, Dolan, Prahalad, Sanjay Mirchandani and Pradeep Marwah. For information about the UMIAA's future plans, contact **Krishna Ramanathan, MBA '93**, at Krishna_Ramanathan@ril.com.*

India Alumni Association Hosts First Major Public Event

Two hundred people, including 50 alumni, participated in the University of Michigan India Alumni Association's (UMIAA) first major public event, held January 11 at the Taj-President Hotel in Mumbai, India.

Dean Robert J. Dolan; C. K. Prahalad, the Harvey C. Fruehauf Professor of Business Administration; and Wayne Brockbank, faculty director of the Business School's Strategic Human Resource Planning Program, the Human Resource Executive Program and the Advanced Human Resource Executive

Program, were among those who spoke to an enthusiastic audience of senior executives from Indian industry at the seminar titled "The Emerging Competitive Landscape: Our Need to Build New Capabilities."

By presenting the work of influential leaders and management thinkers to an Indian audience, the UMIAA strives to build awareness and knowledge of the University of Michigan in India and raise the University's profile among increasing numbers of Indian students who plan to study abroad,

says **Bharat Patel, MBA '69**, chairman of Procter & Gamble (India) and president of the UMIAA.

Krishna Ramanathan, MBA '93, reports the UMIAA event received "substantial print and TV media coverage. The objective going forward is to build on the momentum and publicity generated by this event and to hold more such high-profile events on a regular basis."

Dolan's trip to India—the first trip to India by a University of Michigan Business School dean—coincided with the CEO Forum in Bombay, in its 10th year, and the Global Program for Management Development in Bangalore. His itinerary included Hyderabad and Delhi.

ATLANTA

Under the leadership of President **Barry Trout, MBA '94**, the Alumni Club of Atlanta has had a busy winter. On February 10, Noel Tichy, professor of organizational behavior and resource management, joined Home Depot CEO Bob Nardelli for an open discussion of "Business Leadership in the 21st Century" with alumni and corporate leaders. The club also instituted monthly happy hours in Buckhead and a support group for alumni in transition. The club is partnering with the Atlanta Business School Alliance to create more networking opportunities for MBA grads in the area. Contact Barry Trout at barry.trout@mindspring.com to get involved.

Catching up with Classmates Online

Business School class Web sites are a fast, efficient way to network and reminisce with classmates.

To view your class Web site, go to <http://www.bus.umich.edu/Classsites> and click on your class year. If you would like to start a Web site for your class, contact Alumni Relations at alumni@umich.edu or contact Melanie McIntyre, assistant director of online services, Development and Alumni Relations, at melrm@umich.edu.

To submit a class note or photograph, go to <http://www.bus.umich.edu/Classsites>, select your class from the list and click "Submit My News/Photo" on the left-side menu.

MBA classes with class marketing chairs who promote the use of the site: 1976 Bob Maddox, 1977 Susan Potter-Steckclair, 1980 Maxine Retsky, 1989 Loren Heckelman, 1994 Joel Makowsky, 1997 Christy Mohan and Amy Schindler, 1998 Michael Ferrante, 2000 Richard Blazicevich, 2001 Ben Robinson and 2002 Leon Susen.

BBA classes with class marketing chairs who promote the use of the site: 1975 Eric Seifert, 1990 Lee Khachaturian, 1995 Sheri Ouellette, 1999 Alice Chung, 2000 Chaneice Wilks, 2001 Justin Lee and 2002 Michael Mandecki.



TAIPEI

Several alumni participated in the MBA recruiting forum in Taipei in November. Pictured are **Ken Chen, MBA '01**, **Seng Gay Chan, MBA '95**, **Eric Shih, MBA '01**, **Herman Chein, MBA '02**, **Byungkee Jeong, MBA '95**, managing director of the Business School's East Asia Development Center; and Mengdan Chu, associate director of admissions.

CLEVELAND

Hosts **John Morley, MBA '58**, and Sally Morley; **Robert Neary, BBA '55**, and Janet Neary; **Ralph Johnson, MBA '92**, and Lisa Johnson; **Jeffrey Sinclair, MBA '81**, and Celia Sinclair; and **Paul Brentlinger, MBA '51**, and Marilyn Brentlinger welcomed Cleveland-area alumni to a reception for Dean Robert J. Dolan at the Union Club on October 29. In other news, **Jonathan Histed, MBA '00**, and **Tom Morley, MBA '02**, are taking steps to launch a new alumni club in Cleveland. For information, contact Tom Morley at tmorley@nortech.org.

BANGKOK

In February, **Sathist Sathirakul, MBA '91**, **Vichien Kulvaraporn, MBA '97**, and **Napit Koonamwattana, MBA '97**, welcomed **Jo Rumsey, BA '71, MA '76**, assistant executive director of the University of Michigan Alumni Association, at a reception and dinner at the Salathip Restaurant in Bangkok. In November 2002, Thai alumni met with Byungkee Jeong, managing director of the Business School's East Asia Development Center, and Mengdan Chu, associate director of admissions, at an MBA Admissions Forum in Bangkok.

TWIN CITIES

Twin Cities Alumni Club President **Joel Schlachtenhaufen, MBA '97**, and board members **Todd Marshall, MBA '97**, **Schele Gislason, MBA '97**, **Rajiv Purohit, MBA '99**, and **John Arkesteyn, MBA '88**, joined Kathie East, assistant director of alumni relations, at Pizza Luce on November 8 to discuss club strategy. The club sold a large block of football tickets to Business School alumni, family and friends, who cheered the Wolverines to a decisive win over Minnesota the next day.



Members of the Business School Club of New York gathered at the Park Avenue Country Club this fall to cheer on the Wolverines.

NEW YORK

"The city never sleeps"—nor, apparently, does the Business School Club of New York. In October, the club welcomed Professor Noel Tichy, who spoke to alumni, current and prospective students, corporate leaders, and students involved in Junior Achievement. On December 5, President Mary Sue Coleman met alumni during her first official visit to New York. On December 11, **Jeff Blau, BBA '90**, hosted an art-focused Networking Breakfast organized by the U-M Club of New York. In January, members of the Business School Club of New York joined current students for the 4th Annual Entertainment, Media and Sports Forum, hosted by NBC's **Marlo Scott, MBA '99**.

BLACK ALUMNI ASSOCIATION

The Business School Black Alumni Association (BAA) hosted its second alumni dinner on October 25 at Bella Ciao restaurant in Ann Arbor. Association President **Harry McElroy, MBA '78**, announced creation of the Dr. Alfred L. Edwards Black Alumni Association Scholarship Fund. \$10,000 in pledges was identified prior to the announcement of the official campaign, which will be co-chaired by **Ralph Johnson, MBA '92**, **Isadore King, BBA '71, MBA '74**, and **Sharon Reed Walker, BBA '74, MBA '81**. Visit the BAA Web site at www.umbsbaa.org for more information.



ATHENS

Sylvia Salibi, MBA '84 (above), announced the formation of the U-M Alumni Club of Greece in December 2002. The club's inaugural celebration took place in Athens on February 16. For more information, contact Sylvia at sylvias@mac.com.

CHICAGO

The Business School Club of Chicago introduced its popular Luncheon Series this fall. Inaugural speaker **Dan Hennessy, MBA '81**, of Code, Hennessy & Simmons LLC, sponsored several of the events, which also featured **Jackie Levin, MBA '87**, and **Harriet Robinson, MBA '80**. Club members also participated in a theater night sponsored by the Chicago Business School Alliance, a consortium of alumni from top MBA programs. Rounding out winter activities was a presentation on business leadership and ethics by Professor Noel Tichy, Accenture's Mary Tolan and youth from Junior Achievement of Chicago, at the Gleacher Center, on February 20. For information about upcoming events, visit the club's Web site at <http://webuser.bus.umich.edu/Clubsites/Chicago/>.

DETROIT

Steve Morris, BBA '71, has succeeded **Steve Renaldi, MBA '95**, as president of the Detroit club. Renaldi continues to serve on the club's board of directors. Fall/winter professional activities included a presentation by U-M Athletic Director **Bill Martin, MBA '65**, entitled "The Business of Collegiate Sports," and a presentation by Clark Durant, president of the New Common School Foundation, co-sponsored with the Harvard Business School Club of Michigan. In February, the club presented "Bankruptcy Today from a Corporate Perspective" with Sheldon Toll, Esq., lead bankruptcy attorney for Jacobson's Department Store. Service activities included a reception for admitted students at the Renaissance Center organized by the Admissions Office and sponsored by General Motors, and participation in Cocktail Connections, a networking event for alumni, students and business professionals co-sponsored by Michigan Business Women. During the holidays, club members also volunteered with toy distribution at the Capuchin Ministry. Social activities featured the launch of the club's "Third Thursday" Happy Hours at the Copper Canyon Brewery in Southfield.

FRANKFURT

Andreas Kirschkamp, EX '98, presided at organizational meetings of the Business School Club of Germany in October and February. Attendees included **Michael Loetzsch, EX, Florian Müller, EX, Omar Rashed, EX, Thomas Schinogl, MBA '85, Birgit Schmitz, EX, Radboud Vaessen, MBA '01, and Michael Wolff, MBA '92**. The club's mission is to identify and provide networking opportunities for German alumni, reconnect alumni with the Business School and support the Business School's recruiting efforts. For more information, contact Kirschkamp at andreask@umich.edu.

PARIS

Michigan Business alumni gathered in Paris in November to discuss the school's brand-building efforts in Europe and to honor **Jacques Espinasse, BBA '65, MBA '66**, who was recently appointed CFO of Vivendi Universal, owner of Universal Studios and Universal Music Group and a leading European telecom and media provider. **Pierre Kergall, MBA '00**, helped organize the gathering.



SANTIAGO

The newly formed Michigan Business Club in Chile held a reception in November for alumni and prospective students. Hosted by current students **Rodrigo Larrain, MBA '03**, and **Ernesto Solis, MBA '04**, the event included an alumni career panel.

Pictured are **Juan Carlos Altmann, MBA '02**, international sales manager for LanChile; **Francisco Pérez Iturra, MBA '89**, CEO of Clorox Chile, Peru y Bolivia; **Sandra Porcile, MBA '99**, CEO of Nike Chile; and **Rodrigo Bertelsen, MBA '98**, marketing manager for Constructora Almagro.

SÃO PAULO

More than 70 alumni and guests gathered at the Casa da Fazenda in Morumbi on February 14 to welcome Dean Robert J. Dolan to Brazil. The festive event was organized by Club of Brazil board members **Carolina Sister, Paula Pagano and Daniel Pagano**, all **MBA '00**, and was attended by several Michigan representatives, including Professor Bill Lanen and Liz Andrews, wife of the late Professor Andy Andrews, a beloved instructor in the Global MBA program in Brazil.



SOUTH FLORIDA

Under the leadership of **Darío Epstein, MBA '91**, the club is updating contact information for alumni in South Florida to establish an active alumni network in the area. Alumni Relations is helping Epstein recruit alumni for the Club of South Florida's leadership team. If you would like to participate, contact Alumni Relations at alumni@umich.edu.

David Treece, MBA '88, past president of the Club of South Florida, sponsored a tropical holiday party in December at his home in Miami. Pictured are **Darío Epstein**, president of the Club of South Florida, Yanina Epstein, Luis Gonzalez and Treece.



WASHINGTON, DC

Several members of the Business School Society of Washington, DC, traveled to Charlottesville on November 18 to participate in a virtual class offered through the Michigan-Darden-Haas Consortium. Attendees included **Rick Eagle, MBA '94, Robert Cope, MBA '01, Andrew Kent, MBA '94, Alland Leandre, MBA '02, and Judy Spector, MBA '79.** December events included the Society's Second Annual Family Friendly Holiday Celebration for alumni, children and significant others in Chevy Chase. The event was organized by **Amy Freedland, MBA '90, and Sarah Allan, MBA '79.** The Society also sponsored several football-watching parties.

In January, Professor **Barbara Bryant, BBA '69,** spoke to alumni about "Customer Satisfaction in a Changing Economy." On February 5, Business School alumni attended the annual U-M Club of DC's Congressional breakfast and silent auction at the Hyatt Regency on Capitol Hill.

Megan DeYoung, MBA '02, is chair of the new Corporate Social Responsibility Committee (CSR), which meets monthly. For information about upcoming CSR events, contact DeYoung at deyoungm@yahoo.com. **Kaushika Patel, MBA '92,** chairs the Society's new Entrepreneurial Committee, which hosts monthly roundtable discussions. Kaushika intends to build a network of DC entrepreneurs and connect them to entrepreneurial groups in other Business School alumni clubs. To become involved, send an e-mail to kaushika@maxqnet.com.

Pictured above, **Kaushika Patel,** and Professor Venkat Ramaswamy discussed "Innovating Experiences" at a Society of Washington, DC, event.

SINGAPORE

In October, the Business School Club of Singapore and the Admissions Office co-sponsored a program on "The Michigan MBA" and a reception for prospective students that drew more than 100 people. In November, Professor Aneel Karnani gave a seminar entitled "Growing Your Business in Recessionary Times," which was well received by alumni and prospective students.

SWITZERLAND

Hans-Martin Schneeberger, former Business School faculty member and CEO of the Schneeberger Group, has agreed to chair the Alumni Club of Switzerland. Joining him on the executive board are longtime president **Beat Geissler, MBA '95,** and vice presidents **Anton Höfter, MBA '95, Rudolf Kühn, MBA '84, Roger Reise, MBA '95, Steffen Oellers, MBA '01, Franz Grandits, MBA '96, and Alain Held, MBA '99.** This spring the club will participate in a joint alumni event with graduates from Stanford, Wharton, Northwestern and Chicago featuring James Schiro, CEO of Zurich Financial Services Group and the former CEO of PricewaterhouseCoopers. Schiro will speak on "Corporate Governance: A Transatlantic Perspective." For more information, contact Christina Munz at christina.munz@ezi.net.

SAN FRANCISCO

The San Francisco Bay Area Club (SFBC) continued its tradition of varied and successful events in fall/winter 2002. Enhanced opportunities for community involvement, organized by **David Kassel, MBA '96,** included activities with Hands on San Francisco, the San Francisco Food Bank, the Golden Gate National Parks Association and Toys for Tots. The club also promoted opportunities for members to serve on the boards of local nonprofits and partnered with the local Harvard Business School club to include Michigan alumni in its Community Partners Program.

Professional development and networking opportunities included alumni supper clubs, which pair distinguished local alumni with small groups of alumni for dinner and conversation. The program, led by **Nessa Feller, SOS '96, Chris Foley, MBA '99, and Jeff Lee, MBA '97,** culminated with a thank-you supper, organized by **Scot Gensler, MBA '01,** and co-sponsored by the Office of Development. The club also organized a speed networking event, an entrepreneurship panel and a job search strategies discussion group. **Christy Mohan, MBA '96, Shelley Scipione, MBA '01, and Mary Bruening, MBA '02,** organized these activities.

The club also supported key Business School initiatives. Led by **Christin Evans, MBA '01,** the club worked closely with the Admissions Office to sponsor activities for prospective and admitted students. The SFBC also partnered with the Office of Career Development and the High Tech Club to support student job searches in the Bay Area. Club members turned out in force at the school's West Coast Forum in December.

Social activities included a cable car bar hop, a Giants game at Pac Bell Park and the club's annual picnic in Palo Alto, organized by **Connie Chen, BBA '98, Chuck Hornbrook, MBA '98, Anthony Volpe, MBA '00, and Renee Esquivel, MBA '96.** The club was the lead sponsor of Games Day, a cross-Business School activity day and barbecue organized by **Dan Newman, BBA '97.** Also new in 2002 was a popular wine-tasting series developed by **Frederick Crosby, MBA '01, and Sarah Endline, BBA '94.** As usual, the club continued to host happy hours and football-watching parties on the Peninsula and in San Francisco.

For more information about the SFBC, contact President Shelley Scipione at Shelley.Scipione@wellsfargo.com.

1960

Stephen A. Zeff, MBA '60, PhD '62

was inducted into the Accounting Hall of Fame, based at Ohio State University, in August 2002. He is the 70th member of the Hall, which was founded in 1950. In 1985–86 he was president of the American Accounting Association, and has taught at Rice University in Houston since 1978, where he currently is the Herbert S. Autrey Professor of Accounting. Hearty congratulations may be sent to Dr. Zeff at sazef@rice.edu.

1964

Martha P. Stein, BBA '64

is a Peace Corps volunteer in Ecuador and will return to San Francisco in July 2004. You can reach her at hey-marth@hotmail.com.

1965

Jacques Espinasse, BBA '65, MBA '66

was recently appointed CFO of Vivendi Universal in Paris, a multi-billion-dollar company that owns Universal Studios, Universal Music Group, several media groups and is a leading European telecom provider. It is the highest-profile company in France. He recently hosted a group of Business School alumni at his offices to discuss brand building in France and Europe, and plans to attend the spring gathering of French alumni in Paris.

1966

Dick Brenner, BBA '66, MBA '67

has retired from Texaco where he was last president of the human resource division. His career spanned 30 years in human resources, including head of HR for NCR in Dayton, Ohio, and VP, Executive Human Resources, at AT&T. He also served on the Business School Corporate Advisory Board under former Dean B. Joseph White. Dick and his wife Eileen live in Davidson, North Carolina. His children, Richard, 33, and Caroline, 34, live in California. Former classmates can reach Dick at Brennr@aol.com.

Jan Sostuen, MBA '66

is currently working as a retail marketing consultant for Inter IKEA Systems S.A. in Brussels, after six years in marketing with H-P. He is responsible for the marketing of IKEA and the IDEA stores in Kuwait, Saudi Arabia, United Arab Emirates and Western Australia. You may reach him at soestuen@coditel.net.

1967

Arthur L. Schwartz Jr., BBA '67, MBA '68

recently retired from the University of South Florida, which awarded him the honorary

title of Professor Emeritus of Finance and Real Estate.

Don Surath, BBA '67

has thrived as a sales professional and trainer both nationally and in the Bay Area marketplace. He has trained staffs from media outlets to nonprofits, and teaches public seminars in San Francisco at The Learning Annex. His new book, *Conquering Cold Calling Fear, Before and After the Sale*, has just been released. To learn more about his seminars, purchase his book or just say hello, you can reach Don at don.surath@mvpseminars.com.

1968



Donald F. Tucker, BBA '68

graduated from the University of Michigan Law School in 1971 and is now a senior shareholder at Howard & Howard Attorneys, PC, in Bloomfield Hills, Michigan. On December 5, 2002, he was re-elected for a third term as chair of the Swedish American Chamber of Commerce—Detroit Chapter. He is currently president of the Oakland County Bar Association, and his work focuses on complex litigation, real estate, corporate, health-care and government relations. You can reach him at dtucker@howardandhoward.com.

1972

David M. Morris, MBA '72

is senior VP at JPMorgan Chase Bank in New York. He was recently elected chairman of the International Association of Financial Executives Institutes, an umbrella organization for 25 member companies with a total membership of more than 32,000 financial executives around the world.

1983

Mark Kennedy, MBA '83

won re-election to the U.S. House of Representatives in his new Congressional district in Minnesota by more than 22 percentage points.

Gregory Ruselowski, MBA '83

was appointed director of finance and infrastructure development for General Motors' Fuel Cell Activities in 1999. He began his career with GM's Comptroller's staff in 1983 and progressed through a wide range of assignments. Prior to joining GM, Greg held engineering positions with NASA and United Technologies Corporation.

1986

Eric Ridenour, MBA '86

became executive vice president of product development for DaimlerChrysler AG's Chrysler Group on February 1. In his new position, he will direct 9,000 people involved in the product development disciplines, including engineering technologies, regulatory affairs and product strategy functions, as well as the powertrain and vehicle engineering product teams. He is a member of the company's Executive Committee. He has been with Chrysler since 1986.

1988

James Jakary, BBA '88

is great lakes regional manager for Research in Motion, responsible for BlackBerry technology efforts with customers' wireless carriers and channel partners in seven states. Jim has managed, consulted and sold technology solutions for 15 years for Software Spectrum, Andersen Consulting, General Dynamics and many Fortune 500 companies. He also is a Certified Management Accountant.

Nagi Palle, MBA '88

is a senior manager with A.T. Kearny's Automotive Practice based in Detroit. He has been with the firm since 1998. Prior to joining A.T. Kearny, he was with Ford Motor Company and Visteon Automotive Systems. After leaving the Business School, he received his Ph.D. in mechanical engineering from the University of Illinois.

Tracey Welsh, BBA '88

was recently appointed chief financial officer/vice president of Community Shores Bank in Muskegon, Michigan. Tracey started at the bank in 1988 as assistant VP of accounts, then served as VP and principal financial officer until her recent promotion. She can be reached at twelsh@communityshore.com.

1989

Thomas P. Weeks, MBA '89

left DTE Energy, after 10 years, this past July to become director of Midwest Marketing for PSEG Energy Resources and Trade. He has opened an Ann Arbor office for this \$25 billion electric and gas company.

Alumni Services

The University of Michigan Business School boasts a powerful, international alumni network of more than 34,000. 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 alumni communicate easily and network effectively with both the Business School and one another.

NETWORKING SERVICES & PROGRAMS

■ iMPact (www.bus.umich.edu)

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

To get an iMPact login name and password, contact Alumni Relations with your name, your name while in school (if different) and your degree and year of graduation. Requests will be answered within 24 hours.

■ Alumni Directory

(www.bus.umich.edu/Networking/AlumniDirectory.asp)

Connect with Business School alumni in your city, country, company or class with this easy-to-use, searchable database located in iMPact.

■ Class Web Sites

(www.bus.umich.edu/Classsites)

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



Class of 1997 alumni

■ Reunion Weekend & Annual Business Conference

(www.bus.umich.edu/reunion2003)

Join your classmates and other Business School alumni in Ann Arbor for Reunion Weekend,

October 17–19, 2003. Network with alumni, faculty and other business leaders at the Annual Business Conference on October 17.



Washington, DC, Club with Professor Jan Svejnar (third from left)

■ Alumni Clubs Network

(www.bus.umich.edu/AlumniCommunity/AlumniClubs)

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

LIFELONG LEARNING TOOLS

■ Kresge Library

(<http://eres.bus.umich.edu/web/alumni2.html>)

Visit the Kresge Business Library to access online business information and career resources. Kresge now offers 11 subscription databases free of charge to Business School alumni, including WetFeet Press Insider Guides, InfoTech Trends and Reference USA. The Library also offers links to hundreds of business Web sites, access to Mentor (the library catalog) and faculty working papers.

■ Executive Education

(<http://execed.bus.umich.edu/>)

Executives know that the key to continuing job success is continuing education; the Executive Education Center offers the programs that can help you achieve success in every aspect of your professional life.



Gretchen M. Spreitzer

COMMUNICATION TOOLS

■ Lifetime E-mail

(www.bus.umich.edu/AlumniCommunity/EmailForLife)

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

■ MichiganMail

(www.bus.umich.edu/AlumniCommunity/Michiganmail)

Update your e-mail address at alumni@umich.edu and receive Alumni Relations' twice-monthly e-newsletter, packed full of information about the Business School, the University and alumni.

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

BUSINESS SCHOOL ALUMNI RELATIONS

Phone: 734.763.5775

Fax: 734.615.6103

E-mail: alumni@umich.edu

Ann LaCivita, Director of Alumni Relations, ADL@umich.edu

Kathie East, Assistant Director of Clubs, eastk@umich.edu

Melanie McIntyre, Assistant Director of Online Services, melrm@umich.edu

Julie Antis, Reunion Manager, antisj@umich.edu

1990



Matthew T. Engelbert, BBA '90 has had his first novel, *Uncivil Procedure*, published. The legal/political thriller is available at all major bookstores. Matt lives in Ann Arbor with his wife, identical twin four-year-old daughters and baby son.

1993

Lisa D. Andujar, MBA '93 spent eight years in marketing at AT&T and now has switched careers to work for the American Cancer Society. She is director of the Society's Making Strides Against Breast Cancer, an annual event to be held on October 20 in Queens, New York.

Steve Salterio, PhD '93 had his research noted in the lead article/cover story for the November 2002 issue of the *Harvard Business Review*.

1994

Adam Hameed, MBA '94 "Life in Minneapolis has been awesome and we are doing well. I just wanted to let everyone know that Renae and I welcomed our third child, Maddie, on August 28, 2002. Big brother Jacob and big sister Katie are enjoying their additional job responsibilities," reports Adam. You can reach him at adam_hameed@yahoo.com.

John Hull, MBA '94 reports that he is living with his wife Karin and their three sons in Lake Oswego, Oregon, where he is currently working for Intel Capital directing the Intel Communications Fund, a \$500 million corporate venture capital fund. They return to Michigan every summer to their family home on Lake Charlevoix. "I'm looking forward to the 10-year class reunion," says John, who adds that he and his family miss the fun of B-School days but don't miss the debt. You can reach John at john.hull@intel.com.

Bryan Wong, MBA '94 "Hello everyone. I hope to catch up with everyone at the 10-year reunion. I got married in September 2002 to Maggie. Bob Abbott, Brian Murray, Nancy Yu, Paul Velasco, Susan Johnson, Elizabeth Marcotte and Andy Alterson joined in the celebration," says Bryan, who is still working at Neuberger Berman as a portfolio manager. "Feel free to drop me a line if you find yourself in New York City. I'd love to hear from old section mates," says Bryan, who can be reached at bwong@nb.com.

1995

James Adox, MBA '95 is a partner with EDF Ventures, focusing on investments in the information technology sector. He has a broad technical and general management background and spent three years in international sales, marketing and business development, where he had P&L responsibility for product launches in Brazil, Mexico and Argentina. Jim is fluent in Spanish and is an avid triathlete, windsurfer, water and snow skier, and softball player.

Paula (Litner) Friedman, MBA '95 returned to Ryan Partnership, a marketing services agency based in Wilton, Connecticut, in January, where she is now VP of Ryan Research. She previously had worked there from 1998 to 2002. "My husband Howard and sons Daniel (11) and Jeremy (8) have moved the family back to Fairfield, Connecticut," says Paula, who has truly been on the move this past year. You can reach Paula at pfriedman9@yahoo.com.

1996

Joan E. Gosier, MBA '96 is working as a senior consultant for OPEX Career Consultants in Orlando. More important, Joan and Thomas proudly announce the birth of their first child, Tomeara Jeanelle, born on September 9, 2002.

1998

Amy Cooper, MBA '98 "My first daughter, Morgan Riely, joined our family on April 4, 2002," says Amy. You can reach Amy to find out how she's doing after one year at amcaulif@yahoo.com.

Stephanie (Jones) Dorah, MBA '98 "Michael and I finally had a little girl on February 9, 2002. Noa is over a year old now and is adored by her big brothers, Quentin (5) and Zavian (2). We still live in Ann Arbor, and I am working as a senior financial analyst for the University of Michigan." You may reach Stephanie at srdorah@umich.edu.

Job Lawrence, MBA '98 "We have relocated from Ann Arbor (Dana was MBA '02) to Stanford, California, where Dana is starting Ph.D. studies in corporate strategy," reports Job. Jona (4) and Maya (2) are enjoying their new surroundings. "I left my marketing position at a software startup I helped found in Ann Arbor and will find out just how tough the Bay Area job market really is." You can contact Job at jobl@umich.edu.



Young-Soon Lee, MBA '98 is a project manager for the BP Atlantis Semi-submersible Production Facilities (FPU) project at Daewoo Shipbuilding & Engineering Co. in South Korea. The FPU is to be delivered to the Gulf of Mexico by September 7, 2004. E-mail yslee@dsme.co.kr for more information.

Ramandeep Singh, MBA '98 "Robina Sidhu and I got married on September 29, 2002, in India," reports Ramandeep. "After the wedding we returned to Colorado Springs and Robina has started looking for a residency in family practice." To offer congratulations and find out how they are doing, e-mail rds@umich.edu.

Joel Suddleson, MBA '98 "Hilary and I welcomed our son Harry on January 19, 2002. Harry's proud big sister, Brooke, will be 4 this August. We're still living in Cincinnati, where I work for Procter & Gamble," reports Joel. You can reach him at jsudds@umich.edu.

1999

Shonette (Hill) Charles, MBA '99 reports that she and husband Dr. Kirk Charles had a baby girl on September 27, 2002—Sheridan Diane Nicole. "Kirk and I are absolutely in love with this little person we brought into the world," glows Shonette. To see Sheridan's latest photos, e-mail kscharles@yahoo.com.

Gerald O'Brien, MBA '99 "Hey everybody. I'm happy to report that I've taken a job with Coors Brewing Company in Golden, Colorado, working on the Coors Original Brand team," reports Gerald. "I'm living in Denver and loving it. Look

CLASS NOTES

me up if you're in town, and we'll hit the slopes." If you plan to head that way, e-mail Gerald at gbrion@yahoo.com.

Kurt Peterson, MBA '99

"Sherry and I are thoroughly enjoying Jacob, now 18 months, and are looking forward to the arrival of his brother or sister at the end of July," says Kurt. To keep in touch, e-mail big10peterson@aol.com.

James Stead, MBA '99

has accepted the role of national sales manager for Unimerco Inc. Unimerco, a global company based in Denmark, is a manufacturer of special cutting tools for the automotive, woodworking and food processing industries. "My role as sales manager will be in their U.S. headquarters, which is located in Ann Arbor," says Jim. You can reach him at jim_stead@excite.com.

2000

Lani Roth, BBA '00

and **Spencer Preis, BBA '99**, were married on September 1, 2002, in Atlanta. Lani currently works for Turner Broadcasting in

sports marketing. Spencer is a third-year law student at Emory University School of Law. They met at the University of Michigan in 1996 and reside in Atlanta.

2002

Prakash Kunda, BBA '02

is business development manager for eSpin Technologies, a nanotechnology start-up

based in Chattanooga, Tennessee. The company recently received a \$2 million award from the U.S. Department of Commerce to fund engineering efforts related to eSpin's nanofiber technology platform for developing a high-throughput process to enable large-scale and economical production of nanofibers. If you wish to learn more about nanofibers, you can contact Prakash at pkunda@nanospin.com.

The University of Michigan Regents: David Brandon, Laurence B. Deitch, Olivia P. Maynard, Rebecca McGowan, Andrea Fischer Newman, Andrew C. Richner, S. Martin Taylor, Katherine White, Ex-Officio Member; Mary Sue Coleman, 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, Office for a Multicultural Community, 2072 Administrative Services Building, Ann Arbor, Michigan 48109-1432, 734.763.0235, TDD 734.647.1388. For other University of Michigan information call 734.764.1817.

OBITUARIES

Alexander R. Chiesi Jr. BBA '60

passed away suddenly on November 21, 2002, at his home in Sherman, Connecticut. Alex Chiesi 65, was buried in his Michigan jacket given to him a week earlier as a birthday present from his son, Alexander III. And therein lies the story of a man who stood for everything that "family" means, and was doubly blessed by having two—his own loving family and the University of Michigan, which he considered as his second family.

Mr. Chiesi was raised in Elmhurst, New York, and won more than 20 medals for the De Lasalle Preparatory School track team in Manhattan before attending the University of Michigan. In the summer of 1956, just after his sophomore year, he was returning to the U.S. from a European vacation with his family and met a young woman, Gloria, who was coming to America for the first time at age 17. He learned that she was scheduled to take the ill-fated *Andrea Doria*, but missed the ship. During the remainder of Mr. Chiesi's time at Michigan and shortly thereafter, he and

Gloria maintained a friendship and romance and were married in 1963.

Mr. Chiesi was a retired insurance executive, most recently holding the position of senior vice president and comptroller of Security Mutual Life Insurance Company, and prior to that as Comptroller of the Guardian Life Insurance Company. But he also lived a life rich with interests and activities. These included skiing, which he regularly indulged with family vacations to the Alps, and gourmet cooking, which was a family tradition handed down from his father, who studied under Escoffier and owned several restaurants in Manhattan, including the Hapsburg House. He also was an avid historian and traveler and vacationed often in Europe, North America and most recently China (with his wife Gloria and daughter Danielle).

But Mr. Chiesi's most signature passion was his devotion to the University of Michigan. He followed the progress of its academic and athletic programs in earnest. His enthusiasm for the University was continued by his daughter Pamela (BSEE '86), and very little could make him prouder than to see future generations of his family attend his alma mater. Some of his closest friends

and fondest memories were formed during his four years at Michigan.

Mr. Chiesi is survived by his wife of 40 years, Gloria Centofanti Chiesi; his mother, Mercedes Labati Chiesi; his son and daughter-in-law, Alexander Chiesi III and Maja; his daughter Pamela Mercedes Santoni and son-in-law John; his daughter Danielle Sabrina Chiesi; his brother Ronald and his wife Mary and their children; and his two granddaughters, Samantha Mercedes Santoni and Sabrina Danielle Santoni; and many other relatives. Memorial contributions may be made to the University of Michigan Athletic Association.

Alex Chiesi was indeed family. "He is missed terribly by all his friends and family, but his spirit will continue in all of us," says his daughter Pamela.

Robert Romus Sams MBA '63

died on December 24, 2002. Mr. Sams spent his career in international banking, located in London for the past 30 years. He is survived by his wife Madeliene and daughter Jessica.

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: _____

E-mail: _____

HOME INFORMATION

Address: _____

City, State, Zip: _____

Phone: _____

Fax: _____

Web Page: _____

Instant Messenger: _____

Preferred E-mail: _____

I consent to posting the information I have provided in the Alumni Directory, on my password-protected class Web site (if one exists) and in *Dividend* magazine.

- E-mail contact information
- Business contact information
- Home contact information

Now you can easily update your contact information online!
 Go to <http://www.bus.umich.edu/PersonalProfile/AlumniUpdate.asp>

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, please 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
- Nonprofit
- Other
- Printing/Publishing
- Public Accounting
- Real Estate
- Retail
- Search Firms
- Self-Employed
- Sports Marketing/Management
- Telecommunications
- Transportation
- Travel/Leisure
- Utilities
- Wholesale/Distribution

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 have enclosed my Annual Fund gift.

Join an E-mail List:

I would like to be added to the following e-mail list(s):

- Business School Alumni City Club
Specify city/metro region: _____

(For a listing of clubs, visit the Alumni Relations Web site and choose domestic or international clubs/contacts.)

- Black Alumni Association
- Entrepreneurship
- Finance/Venture Capital
- Tauber Manufacturing Institute
- William Davidson Institute
(includes WDI Summer Interns, Africa Corps Summer Interns, IMAP Students, Europe Project Course and Global Project Course Students)

Share your news... and send a photo to *Dividend*

We would like to include more news about alumni in *Dividend* and hope you will help us by providing us with information about yourself. We'd like to know where you are working and other news about you, such as promotions, new business ventures, any business or academic honors, authorship of books or articles, or other information that would be of interest to alumni.

Name: _____

Degree(s) and Class Year(s): _____

Business Position: _____

Business Address: _____

Home Address: _____

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

FAX to *Dividend*, 734.646.2401, or e-mail to Dividend@bus.umich.edu

Mail news and photos to: *Dividend*

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Ann Arbor, MI 48109-1234

DROP US A LINE

A young child with blonde hair, wearing a yellow long-sleeved shirt and blue shorts, is sitting on a wooden dock. The child is holding a fishing rod and looking down at the water. A red and white bobber is visible in the water. The dock is made of weathered wooden planks and logs.

*Your Business
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**Please take the time to respond
in one of these fast and easy ways:**

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Alumni Event Boosts Michigan's Profile in India



The University of Michigan India Alumni Association (UMIAA) hosted its first major public event in January. The seminar titled “The Emerging Competitive Landscape: Our Need to Build New Capabilities” was spearheaded by Professor C. K. Prahalad.

Dean Robert J. Dolan was among Business School faculty who participated in the seminar, which was part of a 10-day trip to India—the first to that country by a University of Michigan Business School dean.

As part of the visit (left to right), TVS Motor Company Executive Vice President P. C. Matthews gave Business School Professor M. P. Narayanan, Dean Dolan and Associate Professor M. S. Krishnan a tour of the TVS Motor plant in Hosur, India. With sales of one million cycles a year, TVS is one of the leading two-wheeler manufacturers in India. The TVS Victor model in the photograph is the fastest-selling motorcycle designed and developed in India.

To read more about the UMIAA event and other alumni activities, see page 50.
